

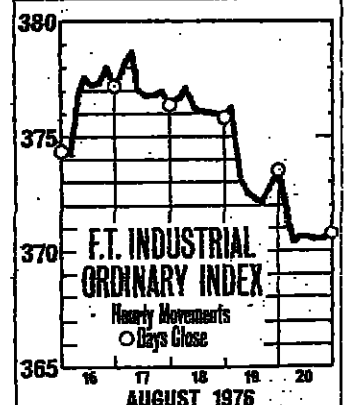


NEWS SUMMARY

BUSINESS

Equities slip 2.7; Wall St. weaker

● EQUITY prices drifted down as stock markets remained calm. FT 30-Share Index eased 2.7 to 370.5, down 3.6 on the week and off 2.5 over the two-week period. Gold prices slipped 1.0 to 90.3 for a fall of 10.7 on the week.



RAF personnel

and failed to prevent a fire. The fire finally burnt out last night, five days after it began. At the Coed-y-fforest near Abercraw, when lightning struck dry grass, a quarter of the forest was burnt down. Firefighters were rescued from the French Atlantic of La Rochelle, as forest fires were strong winds on the beaches.

fans warned

that the Rolling Stones were expected to arrive by this evening. The Rolling Stones were expected to arrive by this evening. The Rolling Stones were expected to arrive by this evening.

on drought

South-East Wales has been hit by a severe drought. The Drought Act, which allows the government to take control of water supplies, has been invoked. The government has also asked the public to conserve water.

is taken

Donald Hume was taken to hospital after a fall from a horse. He was taken to hospital after a fall from a horse. He was taken to hospital after a fall from a horse.

for politics

Mr. Hume's political career is in jeopardy. He is expected to resign from his position. He is expected to resign from his position.

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Mr. Hume's name is being used in a controversial way. He is being used in a controversial way. He is being used in a controversial way.

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Applause for Ford but doubts grow on choice of Dole

BY DAVID BELL, KANSAS CITY, Aug. 20

President Ford left here today for rural Kansas after delivering a rousing speech last night which was more warmly received than any he has given for a long time. But doubts about the wisdom of choosing Senator Robert Dole as his running mate grew during the day.

The President's speech—during which he accepted Mr. Jimmy Carter's challenge that he should engage in a debate with him—was well delivered and sketched out three of the main themes of the Ford campaign will stress in the months ahead.

Yet it was almost un-staged when Mr. Ronald Reagan was invited to address the convention. The hall was quieter for him than it had been all week and he was ecstatically received even though he made fewer complimentary remarks about Mr. Ford than might have been expected.

Moreover, President Ford's speech was 90 minutes late, ensuring that many people in the country might not have viewed it.

In Plains, Georgia, Mr. Jimmy Carter last night said with the widest of smiles, that in choosing Mr. Dole he thought the President had made an "excellent choice" which showed, among other things, that he had all but conceded the South.

This morning Mr. Carter said that the major issues this autumn would be whether "there will be new leadership in the White House or a continuation of drift."

President Ford, much more confident than he has been for months, insisted in his speech that after the first two years of his Presidency "America and Americans have made an incredible comeback."

It was clear from the repeated attacks on the Democratic-controlled Congress that it is to be a major Republican target. So, too, will be Mr. Carter's inexperience and the fact that Mr. Ford's record is at least there for all to see.

As expected, he made much of the fact that he is the first President since Eisenhower to preside over a country at peace; praised his own economic record; and made a great virtue of his 55 vetoes of "extravagant and unwise legislation" and had saved the "little taxpayers" billions of dollars. But the speech contained little that was new and gave no sign of his vision of the future.

When it was over he invited Mr. Reagan on to the platform and then, for ten minutes, the 65-year-old former Governor of California who so nearly defeated him held the convention spellbound.

There was talk on the "conservative cause" that would go on of the need to defend freedom and not to compromise. Many Reagan supporters were in tears by the end. It was almost as if the moral victor of the convention was Mr. Reagan.

Senator Dole received no such reception. His hastily prepared speech was poorly delivered and failed to ignite the convention. The New York Times this morning has no time to capitalise on his name, described Mr. Continued on Back Page

U.S. Election prospects, Page 10

R-R Motors to boost output 30%

BY KEVIN DONE, INDUSTRIAL STAFF

ROLLS-ROYCE MOTORS is launching an expansion programme to boost car output by about 30 per cent. by the early 1980s in order to cope with mounting world demand.

The company for the last three years has achieved a record output of Rolls-Royce and Bentley cars at its London and Crewe factories and last year produced 2,134 cars compared with 2,902 in 1974.

Demand has now reached the point where there is a three-year waiting list for the Camargue, which sells at £35,700 a two-year waiting list for the Corniche and a one-year delivery delay for the Silver Shadow.

Rolls-Royce said yesterday that it has decided to transfer production of the Camargue, of which it intends to build 70 this year, from London to the Crewe factory.

The present and estimated world demand for Rolls-Royce Corniche, Long Wheelbase and Camargue models now exceeds the production capacity of the Mulliner Park Ward Division in London, according to the company.

It hopes with the removal of the Camargue to Crewe to be able to push up production of the Corniche in London from the present level of 800.

The increasing production of each of the Corniche and Phantom VI models will be achieved by enlarging and modernising the London factory.

To expand production and assembly in Crewe the company's five-year plan requires a new building programme to add more than 80,000 square feet to the existing facilities.

Rolls-Royce hopes to add another 300 models this year to last year's record production to meet the increasingly high level of demand. By far the greatest demand is being felt in the U.S., where sales jumped dramatically.

Under its managing director, Mr. David Plastow—who earlier this year was elected president of the Society of Motor Manufacturers and Traders—Rolls-Royce has been pursuing a vigorous international marketing policy.

It hopes that by the 1980s the expansion of full servicing facilities, especially in Europe and the Middle East, will further increase its total market.

Rolls-Royce said yesterday that the transfer of one production line to Crewe would not affect job opportunities at its London factories.

For latest Share Index 'phone 01-246 8026

'I'll show African his place'—Kruger

By Graham Hatton

JOHANNESBURG, August 20. POLICE MINISTER Mr. Jimmy Kruger today said of the black man in South Africa: "He knows his place, and if not, I'll tell him his place."

As Mr. Kruger's defiant words were being relayed around the country the death toll in Port Elizabeth's riots reached 33 and the number of dead since unrest broke out in June climbed to 260.

Rumours flew through Johannesburg today that black workers would stay away from work on Monday as a protest against the recent wave of detentions without trial.

The number of people detained without trial has unofficially been estimated at 160, and close to 2,000 have been arrested on charges ranging from public violence to sabotage.

Another group of young blacks were found guilty yesterday of public violence after burning their school. Some were to be flogged, some were discharged and some were given suspended prison sentences.

In Port Elizabeth's black townships today, a Roman Catholic church was badly damaged by fire and a Methodist Church was set alight, but police said that there were no major clashes with rioters.

There were fears of further unrest. Five rugby matches involving police teams have been postponed.

Mr. Kruger told a meeting at Frankfort that the unrest was a result of the importation of the Black Power ideology from America, but the white man would overcome it.

Sporadic unrest would still break out. He knew more or less where, but he did not want to say publicly.

He hinted that there was a white brain behind it. The impending UN Security Council discussion on Namibia (South West Africa) had made this a good time to allude to it.

Blacks and whites in South Africa knew each other after 300 years together. They always say that "we shall overcome, but I say: We shall overcome."

The Government would give the black man better housing and facilities, but blacks must not look to foreign ideologies.

Mrs. Helen Stammers, the Progressive Reform MP, said of the wave of detentions that many of the detainees were Continued on Back Page

Imports peak Back Page

Colombo call for oil ban shocks France

BY ROBERT MAUTHNER PARIS, August 20.

THE RESOLUTION calling for an oil embargo against France, adopted by the conference of non-aligned nations in Colombo, has shocked and embarrassed the French Government which has always prided itself on its friendship with the developing world.

Not that France fears the embargo will be applied in practice. It is emphasised here that the non-aligned group of countries is not the same as OPEC, and that it does not include two important oil producers—Venezuela and Iran, the latter being one of France's main suppliers.

Nor do the French believe that the more moderate Arab oil producers such as Saudi Arabia, which supplies France with as much as 32 per cent of its oil, would contemplate implementing the Colombo conference resolution.

So the impact here has been mainly psychological. After all the efforts made to court the Arab States and President Giscard d'Estaing's leading part in organising the dialogue between industrial and developing countries, official France's *amour propre* has taken a bad knock.

M. Jean Sauvagnargues, the French Foreign Minister, described the resolution as "totally unfounded." He emphasised once again that the nuclear power stations recently sold to South Africa could not be put to military use and that France had stopped all arms sales to that country, apart from naval equipment which could not be used in anti-guerrilla operations.

Remote chance

However, the picture on arms sales is not quite as simple as it is made out to be. While it is true that President Giscard announced a year ago an embargo on land and air armaments exports to South Africa, the measure did not cover contracts for large quantities of equipment already in the pipeline.

So in addition to two 1,200-ton Agosta-class submarines due for delivery in September, 1978, a contract for 45 Mirage F-1 fighters will also be honoured by France.

Although figures for arms sales are never published, it is estimated that altogether France has sold 90 Mirage aircraft, about 100 helicopters, three submarines, and a number of ground-to-air Croate missiles to South Africa.

Further, much of this equipment is now manufactured under licence by South Africa.

Although the chances of an effective oil embargo appear remote, the French could theoretically find themselves in a tight spot. Virtually all the country's requirements for oil—some 100m tonnes a year—are met by imports, and reserves are estimated to be sufficient for no more than three months' consumption.

Hostile

By their own choice, the Paris are not members of the French-based International Energy Agency, which has adopted an oil-sharing scheme, ironically because they did not want to offend the oil producers, who viewed it as a hostile consumer bloc. Nor has the EEC yet evolved a common oil policy.

The oil embargo imposed by OPEC at the time of the 1973 Middle East war proved to be ineffective because it was not supported by the non-aligned group of countries which then found means of supplying Holland and Belgium by France.

Our Tel Aviv correspondent reports the Colombo conference call for an oil boycott of Israel is not seen here as threatening any reduction in future supplies. Iran and Venezuela, the principal suppliers, do not belong to the non-aligned bloc, while Mexico—a supplementary exporter—is understood to have given long-term commitments to alternative shipments.

In any event, the U.S. is obliged by the 1975 Sinai Agreement to guarantee all of Israel's oil supplies if other sources cannot be relied on.

Colombo unanimous on oil embargo Page 9

Broking firms decide to merge

BY KEITH LEWIS

SIX stockbroking firms have decided to merge to form three larger units. The decision is another indication of defensive tactics being employed by the brokers' community to combat the effects of rising costs and historically low Stock Exchange trading volume.

The number of member firms has fallen to 115, compared with 120 a year ago. Membership of the Stock Exchange has been falling, too, in recent years. The last annual accounts showed that London's membership had dropped from 3,119 on March 25 last year to 3,081 on the same date this year. In 1974, the comparable figure was 3,545.

Zorn and Leigh-Hunt, an 11-partner firm, is to cease trading to effect a merger with Raphael Robinson and Glyn. Of the Zorn partners, two are to retire, two are to leave to pursue other activities and a fifth is to join the new firm, Raphael Zorn, which will finish up with 14 partners and 10 associates.

Both firms are expected to shed staff after the merger but the greatest cuts will come on the Zorn side, which is to close down its general office in Billingham and move into the new firm's offices.

Zorn and Raphael have strong private client business. The former is known for its speciality in Far Eastern markets and in oil shares; Raphael has a reputation in North American stocks and in U.K. food shares.

Existing six

The second merger is that of Halliday Simpson and Fuller and Co., the latter having been known up until last April as Gerald Hodgson Fuller. The Gerald Hodgson partners joined the existing firm of Sternberg Thomas Clarke. The existing six partners in Fuller, on joining the enlarged firm, will become three partners and three associates. They will be known as Halliday Simpson (Incorporating Fuller and Co.).

The absorption of Fuller will include that firm's existing branches in St. Helier, Jersey, and Bexhill-on-Sea. It is expected that these offices, which will continue as before, will complement Halliday Simpson's office in Colwyn Bay. Fuller will introduce a strong private client business.

Finally, two old established firms with private client and bank business, Lloyd and Burnell, and Burge and Co., are to merge to form an eight-partner business with eight associates.

Of the four existing Lloyd and Burnell partners, two will become partners in the new firm, Burge and Co. (Incorporating Lloyd and Burnell), and two, described as being well above normal retirement age, will become associates.

Diversify Internationally

Why Schlesingers recommend that you should invest at least 40% overseas

In the current economic climate of the U.K. Schlesingers believe it is only a matter of common sense to restrict U.K. investment to 60% of a family's assets.

During the next two to three years the U.K. economy probably faces considerable difficulties and we therefore believe that over the long term, an actively managed international portfolio of equities should achieve better results and wider diversification of risk than a fund invested in the U.K. stock market alone. Accordingly Schlesingers currently recommend that at least 40% of an investment portfolio, with the objective of capital growth, should be diversified internationally.

Private investment overseas normally involves the Dollar Premium, with its complications and considerable penalties. Schlesingers minimise these problems by the use of back-to-back facilities, in which they specialise.

Currently the managers strongly recommend a heavy emphasis on the U.S.A. because 1. Inflation last year was only 6.1%, and is expected to decline further. 2. Profits are anticipated to rise by at least 20% in 1976 with further rises in 1977 and 1978. 3. The U.S. market is still historically cheap on a current year 10x p.e. compared with the range of 13-20x for the average in each year between 1956-73. 4. The dollar still appears undervalued, in our view. 5. America is 100% self sufficient in food and 60% in oil. 6. Unions and both political parties understand the role of capital and profits.

Investments in other countries and cash total 40% of the Fund.

Do you have a portfolio of £2,500 to £100,000? Schlesingers International PIMS service, linked to the Trident International Growth Fund is designed specifically for the larger investor.

To: Schlesinger Trust Managers Ltd., Freeport RCC23, 140 South Street, Dorking, Surrey. Tel: Dorking (0306) 864-1 (weekend and evening Answerphone) I wish to know more about The Trident International Growth Fund and International PIMS.

Name: Address: Members of the Unit Trust Association. Not applicable to Eire. FT 218

Schlesingers International PIMS

PRICE CHANGES YESTERDAY

pence unless otherwise indicated

RISER	FALLER
324 + 9	Beecham 350 - 5
108 + 10	Duffay Biomastic 40 - 6
910 + 35	Elkus and Everard 88 - 4
93 + 4	Flowers Siddeley 44 - 5
138 + 14	Johnson Matthey 339 - 6
71 + 8	Liverpool Daily Post 98 - 4
60 + 4	Lyons (T) 75 - 3
121 + 4	Peak Assurance 192 - 4
120 + 7	Pye Higgs 35 - 7
104 + 9	Pyke (W. J.) 30 - 7
274 + 10	Regional Prop. "A" 35 - 2
430 + 20	Sun Alliance 415 - 7
	Thomson 414 - 4
	Wedgwood 180 - 7
	Yarrow 139 - 4
	Shell Transport 414 - 4
	Hartbeest 625 - 25

Print men accept deal

BY ALAN PIKE, LABOUR STAFF

MEMBERS of the National Graphical Association working for the Press Association, Reuters and Exchange Telegraphs last night accepted a formula for ending the dispute which led to the blacking of news agency copy in newspaper offices throughout the country.

The dispute arose when 139 agency employees were expelled from the association for refusing to contribute to a retirement fund. Under the settlement they have agreed to rejoin the union and money which they have been withholding from the fund but banking will be paid in a lump sum to cover contributions for the next nine months. During this time either the TUC or the Advisory, Conciliation and Arbitration Service will be invited to meet the parties and suggest a permanent solution. The agency staff said last night that they accepted the settlement taking "due account of the effect of a prolonged dispute on employment."

2 in New York

	Aug. 20	Previous
Sept. 1 month	\$1,708.7816	\$1,723.7639
3 months	1,708.1040	1,661.1040
6 months	1,723.1200	1,333.3740
12 months	1,150.1150	1,150.1140

Your savings and investments Making the best of sales

CHRISTOPHER HILL

THE beginning of 1976 was the year of the unit trust, as the number of direct holdings in unit trusts has apparently fallen by 4.1 per cent since end-1975 — this is the lowest for this year since 1962. The July figures, however, show a slight recovery in the number of unit trusts, which is perhaps still in the context of the state of the U.K. stock market. Interest in unit trusts has been high since the end of 1973, and the total investment also shows a rapid rate of growth.

The apparent switch in emphasis from lump sum investing to regular saving in unit trusts is being emphasised by the U.T.A. because it is getting slightly worried by commentators pointing to the fall in the number of direct unit trust investors. What Tim Simon, chairman of the Association, believes is that we are seeing a switch to a "cash flow" situation in unit trusts compared

with the pensions and insurance industries. This is in marked contrast to the more usual view of unit trusts that they are an alternative route for the small investor to investing directly in equities on the stock exchange.

Like most general assessments of change this is not the complete truth and, although the life assurance proportion of unit trust investment is rising, it looks as if total investment in unit trusts is falling when inflation is taken into account. One also has to consider the fact that much of the life assurance investment in unit trusts is thinly disguised lump sum investment. In that a growing proportion of unit trust sales is through the medium of single premium bonds.

Are we likely to see less violent swings in unit trust sales than in the past because of the growing importance of insurance policies? Mr. Simon believes so, and one can only tend to agree because there is no doubt that people take less notice of the value of their life policies than they do of their lump sum investments. Of course this assumes that people are regular savers rather than single premium investors and that confidence in equity investment does not diminish to the extent that investors believe that even the professionals cannot handle the situation. I also wonder whether people with unit-linked policies might not start to take a greater interest in their value now that a greater number have



Mr. Tim Simon

passed the 10-year mark when they can cash in without fear of losing their tax relief.

Boost from outside interests

BY TOM KYTE

THE FORTUNES of the newspaper industry are often regarded as a barometer of the climate of U.K. industry. So it is not surprising that the sector has found the going very tough for the past couple of years. Whether the national economic depression is now at an end is of course still disputable but there have been signs recently that outlook for the newspaper sector, while not exactly brilliant, is definitely brightening.

It has been clear for several months that expenditure on advertising, the life blood of newspapers and periodicals, has at last started to turn upwards. Following the rate increases passed by the industry last year this should mean a significant rise in revenue for most of the member companies. In a recently published survey Young and Rubicam confirmed that this trend looks likely to continue. Over the twelve months to June 1977, Y and R forecast that advertising expenditure, display and classified combined, will increase by roughly a quarter.

At the moment the fastest improvement is occurring in display advertising but towards the end of the period Y and R expects classified, which suffered most during the recent depression, to be recovering more sharply. This is a point which group has large interests in regional newspapers who, proportionately, are generally more dependent on classified.

The FT-A Newspaper index reflects a relatively strong performance by newspaper shares in the last few months. Since June the index has risen by roughly 15 per cent, compared with a 2 per cent rise by the Industrial group index over the same period. However, it is uncertain how much of this strength should be attributed to the recovery prospects of the sector. Other factors certainly apply in the case of the two

High	Low		Current price	Yield %	p/e
122	90	Associated Newspapers	100	7.2	8.3
35	25	BPM-Holdings 'A'	29	13.8	8.2
41	164	Beaverbrook 'A'	32	7.8	7.5
72	54	Bristol Post	72	11.1	10.6
42	32	East Midlands 'A'	37	10.8	6.0
37	27	Home Counties	35	13.2	10.7
109	90	Liverpool Daily Post	98	9.3	7.9
308	222	Thomson Organisation	288	2.6	46.2
294	220	United Newspapers	246	7.1	8.7

shares which have seen the greatest activity in the last few months, the Beaverbrook "A" shares and the Thomson Organisation.

The former which reported a £202,235 loss for the half-year to December 31, 1975, has well publicised problems at all of its leading London and national papers and very little interest in regional. Even so its share price has still roughly doubled since its low point at the beginning of June. This could owe something to the vague takeover rumours which have circulated the market in the last few weeks or it may reflect the potential of the group's two large property interests in Bristol and Fleet Street. These have both recently been completed and are now in the market for lettings.

Pin-pointing the reasons for Thomson's recent share price activity is much easier. The group has large interests in regional papers to balance against the losses being suffered on the "Times" but the main reason for the strength must lie in the North Sea Oil investments. The potential of these seems considerable. The Piper field should make a small contribution to earnings in the current year but the real boost will come in 1977 when Claydon will also start producing. Some outside estimates reckon that in 1977 North Sea earnings will be as high as 28p per share rising to 56p in the following year, this compares with earnings per share of just 7.85p in the last balance sheet.

Thomson is not the only newspaper group with oil interests. Associated Newspapers is already receiving some benefit from its interests in the Argyll field. This is much smaller than either of Thomson's interests but some analysts are forecasting that in the next year or so it could at its maximum add 7p per share to earnings. In the last accounts Associated's earnings per share was 11.7p.

Thomson and Associated therefore have a useful prop for their shares not enjoyed by the other companies in the sector. However, at their present level all of the ratings in the sector seem solid enough, with the possible exception of the Beaverbrook "A" shares which seem stuck with a speculative tag at the moment. Also, the recovery in earnings this year is likely to be more evident in the figures of the companies with substantial interests in regional publications since their lower production costs should allow the increased advertising revenue to show through more strongly. The London and national papers still have some problems to contend with. The 10 per cent newspaper price increases in May and August must be eating into margins, while the fact that the circulation of most London papers is still in decline can hardly be helping. Even so, the recovery should still come through in most cases, albeit at a more modest pace.

Need for tax advice

IT is fairly clear that stockbrokers are not so get rid of their clients (as once seemed to be the case when institutional business as the rage), but it still be thought that ant banks are gradually up beyond the magic sum of £100,000 per head. It was interesting to hear that Hill Samuel's extend its private client beyond the present of £130m, and will cater with £200,000 upwards to Personal Financial. This consists of a nation of equity and unit investment and was introduced some time ago under the Personal Investment Management Service (PIMS). The name is now closely associated with singers, though at the time were various wisecracks PIMS No. 1 and PIMS

as father confessor about his tax problems. Such advice might probably be given to the client's own adviser rather directly but the bank is on hand to act as "man of affairs."

Now that clients tend to be just as concerned about the technical problems of keeping their money out of the hands of the Government as in increasing their wealth, this type of advice is important and is not easily accessible. The trouble is that the firms which really can give the best tax-planning advice tend to keep quiet about it for fear of enraging the Inland Revenue and encouraging the blocking of loopholes.

But I suspect that sometimes this caution is overdone, for frequently what potential clients really want is not a complicated tax avoidance system to be set up, but just a simple explanation of what their rights are and a suitable vehicle for making sure that these are obtained. This tends to be particularly the case with people who go overseas on contract for periods of a few years and wonder how best to arrange their affairs. To cope with this type of person Hill Samuel introduced an Overseas Retirement Benefit Scheme (ORBS) about a year ago. It has never hit the limelight but basically comprises an investment service plus taxation

advice which is marketed to companies rather than to individuals. However, there is nothing to prevent individuals from applying.

● The chairman of Second Trust, Mr. J. A. Lumsden, has quite a lot to say about the high discounts on investment trust shares in the report of the trust which appeared this week. It is certainly welcome to see such a discussion — rather than just ignoring the subject which is more general — but any solutions are rejected. Mr. Lumsden says that before drastic action like unitisation is considered, it is better to wait to see whether the large discounts prove to be a "temporary" phenomenon. I wonder what the definition of "temporary" is in investment trust terms. It might be a very long time.

● I have been taken to task by a reader for describing Save and Prosper last week as a "weathervane" of the unit trust industry. "Swayed by every passing wind of fashion, no mind of its own" — he suggests this might not be right and what I really meant was perhaps "bellwether." Having consulted my admittedly minuscule dictionary, I find that bellwether is the "leading sheep of the flock." I am not sure whether I meant that either.

Index linked

INVESTORS WHO took out the index-linked retirement certificates at outset in June, 1975, saw the value of their investment appreciate by 18.9 per cent in the first year. But in the subsequent three months it has appreciated by only 1.825 per cent — an annual rate of 7.1 per cent — reflecting the rapid fall in the rate of inflation.

Some investors may be wondering whether it is still worth holding on or whether they would be better off taking their gains and switching to another media. For instance as far as nil rate taxpayers are concerned the new Jubilee Bonds yield over 8.1 per cent. When I wrote in May, I felt that investors should hold their bonds and review in a few months.

Now it is difficult to be so emphatic, the choice will

depend primarily on what investors think will happen to the rate of inflation in future. Whether the improvement will continue. The economists consider that this rate over the past three months is very misleading having been kept down by the favourable prices of seasonal foods which fell by a record amount. The more realistic underlying rate is about 12-13 per cent. As the effects of the drought become more serious the price of seasonal foods is likely to climb sharply. Economists are much more uncertain about the time-table for a reduction of the inflation rate in a single figure level.

My opinion is that the bonds are inflation-proof and that investors should hold on to them until it is confirmed that inflation is down below 10 per cent. That time may still be several months away.

E. S.

New policy

HOUSEHOLDERS taking out a mortgage have two main choices of repayment — level repayment or through an endowment assurance with a life company. The latter method has several advantages which we have discussed in these columns, but it is very difficult to transfer. Since the average householder changes house at least twice, usually with a higher mortgage

each time, this inflexibility is crucial and one reason why the endowment method is recommended if the householder is not likely to change house for a number of years.

One or two life companies have attempted to overcome this drawback so that endowment assurances can be used for the first time buyer. Recently the Norwich Union came out with its version, the Mortgage Option Plan. Under this the investor by paying an extra premium of 50p per month can take out extra cover up to £15,000 and extend the existing policy to mature not later than age 65 all without evidence of health. This option can be attached to any of the repayment schemes including the minimum cost plans.

E. S.

Attractions of a lump sum

MOST REPORTS on pensions make deadly dull reading to the man-in-the-street and many of the people are fed up with the constant talk of equality for women. Thus the report this week from the Occupational Pensions Board on equal status any guidance. Yet in most cases the attraction of a lump sum is virtually guaranteed to be ignored by investors as being something Imperial Group's pension fund for the expert to read. But it does contain one section that is of interest to members approaching retirement.

Private pension schemes now give members the option at retirement to commute part of their pension for a tax-free cash and options. The Board does not make deadly dull reading to the man-in-the-street and many of the people are fed up with the constant talk of equality for women. Thus the report this week from the Occupational Pensions Board on equal status any guidance. Yet in most cases the attraction of a lump sum is virtually guaranteed to be ignored by investors as being something Imperial Group's pension fund for the expert to read. But it does contain one section that is of interest to members approaching retirement.

Now the OPB is recommending that statements sent to members should contain more information about rights and options. The Board does not make deadly dull reading to the man-in-the-street and many of the people are fed up with the constant talk of equality for women. Thus the report this week from the Occupational Pensions Board on equal status any guidance. Yet in most cases the attraction of a lump sum is virtually guaranteed to be ignored by investors as being something Imperial Group's pension fund for the expert to read. But it does contain one section that is of interest to members approaching retirement.

ERIC SHORT

Bridge

ARE two intriguing deals turned up at rubber? Both sides had won a when South dealt this:

N. ♠ 10 6 5 2
♥ A
♦ A 10
♣ A 7 6 5 4
E. ♠ 7 4
♥ J 5 4
♦ K 9 7 5 4 3
♣ K 2

S. ♠ A Q 9
♥ 10 8 7 2
♦ 8
♣ A Q 10 9 3

South opened the bidding with 1b. West overcalled with 2b. North jumped to 3b, which became the contract. South led the heart King to the diamond Ace and the ten in hand. After a heart on the table, he club, and when East followed with the two, he played

A case of safety first

West's failure to follow suit was a blow, but he ruffed another heart in dummy, led a low spade, and finessed the nine. West won with the Knave and returned the Queen of hearts. This was ruffed on the table and overruled by East's King of trumps. A spade was led back, South finessed the Queen, losing to West's King, and went one down.

South's plan to eliminate the red suits was excellent. Where, then, did he go wrong? At the fifth trick, when he led a trump from the table, he should have finessed the Queen. Hindsight, you exclaim. Not at all — the Queen wins, as it does. The declarer not only avoids a trump loser, but gains a vital tempo. He draws East's King, ruffs another heart, and now, with the elimination complete, he finesses the spade nine. West wins, but must lead into the spade tenace or give a ruff discard, and the declarer makes 12 tricks.

If the trump finesse loses, of two diamonds South said two

This was the second hand:

N. ♠ 9 6 2
♥ 8 6 3
♦ J 6 5
♣ Q 10 7 4

W. ♠ A K J 3
♥ K 7 5 4
♦ 9 4
♣ 9 6 2

E. ♠ 7 5
♥ A Q J 10 9
♦ A K 8
♣ A K J

With East-West vulnerable. South dealt and bid two clubs. The losing doubleton in spades is not an attractive feature, but we accept the conventional bid. After North's negative response of two diamonds South said two

hearts, and after a single raise from his partner went four hearts.

West made two top spades, a third spade was ruffed in hand, and the declarer cashed the heart Ace, continuing with the Queen. West shrewdly ducked, and when East showed out, the writing was on the wall, and the contract was defeated.

South's play of the trump Ace at trick four entailed a fatal loss of control. The correct card to play is the Queen. When this is ducked, he continues with the Knave. Now if East started with four trumps, he must win — if he does not, South crosses to the club Queen and picks up the trump King — and there are no further problems.

If, as is the case on this occasion, West has the four trumps, he again withholds his King. So the declarer cashes the trump Ace and the two top diamonds, turns his attention to clubs, and gets home if West has as many as three cards in the suit.

E. P. C. COTTER

Chess

RETI, 1924, placards for the New York Times imply "Capablanca loses." The occasion of the great world champion's defeat and his first loss in an actual game for eight years. Reti had had only one reign as champion, but been very active in tournament and had already created a great many legends of the same aura of invincibility as Capa. Last month, only Anderssen at Milan had been thus in the Philippines where chess is a prize elevated sport. Karpov's Asia's grandmaster Torre (Carlsburg Kings tournament) as much stir as loss to Reti and was also a loss for national rejoicing.

When the mighty stumble

estimated both his opponent and Reti's system. Karpov's loss to Torre shows a similar combination of somewhat routine play by the champion (was his mind on the chessboard?) and determined heroics by his conqueror. Torre saw a little further in the early tactics, then pushed forward to the full point, avoiding all Karpov's attempts to wriggle out of trouble. White: Anatoly Karpov (Soviet Union). Black: Eugenio Torre (Philippines). Opening: Sicilian Defence, Richter Attack (Manila 1976).

The opening moves were 1. P-K4, P-QB4; 2. N-KB3, N-QB3;

3. P-Q4, P-P4; 4. N-P4, N-B3; 5. N-QB3, P-Q3; 6. B-KN5, P-K3; 7. Q-Q2, P-QR3; 8. Q-Q4, B-Q2; 9. P-B4, P-N4; 10. Q-K3, N-N5; 11. R-N4, Q-N3; 12. R-Q2. This conceding the long dark diagonal to Black's bishop and 50 admits that White is worse. Karpov feared 18 B-P4, Q-K4 (19 B-B3, 18 R-B3 gives the white king an escape at Q2); 19 K-N1 (19 B-N4, Q-Q2 threatens mate and regains the pawn favourably); 20 B-B3, B-P4 ch; 21 R-B3, B-B3 — but then white can attack the QNF by N-Q3 and P-QR3.

18... N-R4; 19 N-N4, N-B3; 20 P-N4 (if 20 Q-N4, Q-R4; 21 K-N1, P-N6); 21 Q-N4, R-B1; 22 K-N1, B-B3; 23 P-B3, P-Q4; 24 Q-Q1, P-R4; 25 N-B2, P-N5; 26 N-P4, P-N4; 27 R-QB2, R-R2; 28 K-R1, P-B3; 29 P-N6, P-N6; 30 K-N1, P-Q4; 31 P-P4, Q-P4; 32 N-B2 (32 Q-B3, P-B4 and white's king is shut out); 33 N-K4, B-K3; 34 N-B3, Q-B3; 35 P-Q4, Q-B5; 36 P-Q8, P-K4; 37 R-R1, Q-Q8 ch; 38 K-R1, B-Q5; 39 Q-R8 ch, K-Q2; 40 Q-OR8, Q-B8 ch; 41 N-N1, Q-QB5; 42 Q-N7 ch, K-Q3; 43 Q-N8 ch, K-P4; 44 Q-Q8 ch, K-K3; 45 Q-K8 ch, K-B4; 46 Q-Q7 ch, K-N3; 47 Q-N4 ch, K-B8; 48 N-B3, Q-B8 ch; 49 Resigns.

If 49 N-N1, Q-B7 and white soon runs out of checks, while if 49 Q-Q1, Q-Q8 ch; 50 N-Q4, K-N4-N5 wins easily.

White mates in two moves, against any defence (by A. Casa). Solutions Page 2

with designs on Black's KNP. How did Black (to move) defend the attacked pawn — and can you spot the disaster?

PROBLEM No. 128
BLACK (7 men)

WHITE (9 men)

White mates in two moves, against any defence (by A. Casa). Solutions Page 2

LEONARD BARDEN

PHILIPS LAMPS HOLDING

(N.V. Gemeenschappelijk Bezet van Aandeelen Philips' Gloeilampenfabrieken)

Half-Yearly Statement to 30th June 1976

This report combines the consolidated data of N.V. Philips' Gloeilampenfabrieken and those of the United States Philips Trust.

Amounts in millions of guilders	1976		1975	
	2nd quarter	Jan. to June	2nd quarter	Jan. to June
Sales	7,163	14,089	6,241	12,027
Costs	-6,672	-13,193	-5,988	-11,461
Trading profit	491	896	253	566
Interest paid less Interest received	-161	-311	-179	-345
Balance of other income and charges	-17	-32	24	10
Profit before tax	313	553	98	231
Tax on profit	-157	-277	-49	-115
Profit after tax	156	276	49	116
Share in net profit of non-consolidated companies	2	5	-2	0
Minority interests	-30	-49	-21	-30
Net profit	128	232	26	86
Trading profit as a percentage of sales	6.9	6.4	4.1	4.7
Profit after tax as a percentage of sales	2.2	2.0	0.8	1.0
Net profit as a percentage of shareholders' equity interest	5.1	4.6	1.1	1.8
Net profit per ordinary share (in guilders)	0.68	1.22	0.11	0.41
Do, on the basis of accounting principles generally accepted in USA (US\$ 1 = F2.70)	1.24	2.32	0.38	0.95
	(US\$0.46)	(US\$0.86)	(US\$0.14)	(US\$0.35)
At end of June	1976	1975		
Stocks (as a percentage of sales in the last 12 months)	32	39		
Average credit period for trade debtors (in months)	2.6	2.7		
Liquid assets	1,242	1,259		
Total liabilities as a percentage of total capital employed	63	63		
Number of employees	394,700	397,100		
(comparative number at 1 January 1976—398,400)				
of which in the Netherlands	89,200	92,800		
(comparative number at 1 January 1976—81,700)				
Sales	Sales in the second quarter increased by 15%, over the six-month period from January to June the increase was 17% (in 1975 2% and 0.4% respectively).			
Profit	As compared with the results in 1975 trading profit and net profit show an improvement. Trading profit amounted to 6.9% of sales in the second quarter and 6.4% in the period from January to June (in 1975 4.1% and 4.7% respectively). Net profit amounted to 5.1% of shareholders' equity interest in the second quarter and 4.6% in the period from January to June (in 1975: 1.1% and 1.8% respectively). In calculating profit and capital			

employed allowance has been made for an estimated proportion of those provisions which, as anticipated, will have to be made at the end of the financial year. Profit per ordinary share in 1976 and 1975 has been calculated on the basis of the number of ordinary shares at 30 June 1976 and 31 December 1975. Assuming conversion of all outstanding convertible debentures, the profit per ordinary share in the January-June period calculated on the basis of accounting principles generally accepted in the USA would be 6% lower.

N.V. Philips Gloeilampenfabrieken
THE BOARD OF MANAGEMENT
Eindhoven, 17 August 1976.

PHILIPS

Finance and the family

Insurance

Tax on working abroad

BY OUR LEGAL STAFF

As executor of the will of a relative as regards interest accrued from the date of death to the date of closure of the estate accounts, could you tell me the rate of tax to deduct from payments to the residuary legatee for interest on (a) T.S.B. ordinary account, (b) T.S.B. special investment account, (c) building society share account? The interest accrued to death has been included in the return of the estate for capital transfer tax and accounted for in the deceased's income for income tax purposes.

The tax return for the period up to the date of your relative's death should have included only interest actually credited to him before he died. If you included interest (for the period up to his death) which was not credited until after he died, you should explain your mistake to his tax inspector, and claim any consequent reduction in the income-tax assessment for the period up to his death.

You should ask the inspector for a return form for the period of the administration of the estate, and for forms R185E (1973) on which to certify the income attributable to the residuary legatee. If the administration of the estate is completed before the end of the tax year in which your relative died, a single R185E (1973) should suffice; these forms are quite straightforward in simple situations such as you have outlined. Strictly, the tax for the administration period should be dealt with by your local tax office, but it is simply a matter of convenience, and your relative's tax office may decide to deal with it.

As executor, you will be assessable to tax at the basic rate of 35 per cent. on interest credited after your relative's death, but there will be no tax

for you to pay on the building terms of the warranty. It is likely that you will have to agree to the repairs being effected on the terms proposed, or to forgo your rights. Specific performance would not normally be granted; your remedy lies in damages, and a refusal to accept repairs which the vendor has offered to undertake is likely to diminish or extinguish your claim for damages.

Squatters and registration

I live in Essex and my neighbour has approached me to erect a fence between my ground and his plot because he states the authorities will not register his title until this is done. Do you think he is a squatter? Does the title have to be registered? Can my neighbour compel me to erect a fence?

An implied warranty

A music centre bought in November, 1975, now needs repair and the supplier requires me to return the goods to him. I have no transport, the item is not portable, and this has never been made a condition of repair under the implied warranty. How long does such a warranty last? Can I have the set repaired at home without losing my warranty, and sue for damages, or would it be better to sue for specific performance?

The implied warranty under the Sale of Goods Act (as amended) has no time limit. However, it is far from clear, from your letter, whether the want of repair in question is a breach of the implied warranty; it seems unlikely. If an express warranty has to be relied on, you must see what are the full

Abandonment of right of way

The use of a right of way over a private lane lapsed in the case of one user 14 years ago when he closed the access to it. Does his right still hold if expressed in his deeds, or, if not expressly given, if, at

the time of abandonment, it had been established by prescriptive use?

Once an easement of way has been acquired it is not lost through disuse, but only by abandonment (or a deed of release). This means that the intention to abandon the way must be shown or inferred—very long disuse may raise such an inference, but we doubt if 14 years' disuse is sufficient. The same principle applies to easements obtained by prescription as to those deriving from express grant. However, in practice it is easier to establish abandonment of an easement acquired by prescription if mere disuse is relied upon, as a prescriptive easement itself derives from inference (that is, from long user).

Assigning shares in a house

With reference to your reply of June 19, under Assigning shares in a house, whereby it was possible to avoid capital transfer tax by giving away a house in instalments, so to speak, could you say how the system works? Would payment of rent be indispensable?

The system suggested was that the property be held by you and another as trustees on trust for sale, the equitable interest in the property being divided into a number of equal shares, for example, 15,000 shares. You can then assign such number of shares as does not exceed £2,000 in value each year, say 1,800 shares in the first year, and; allowing some leeway for changes in value of the property, different numbers of shares may be assigned in each successive year. The rent which was mentioned is not indispensable. Capital Gains Tax would also have to be considered in many cases.

Benefits of the premium

Is the investment currency premium included in the daily prices given in your paper? I hold South African shares bought in 1970, and Hong Kong shares bought in 1965. As I did not pay the premiums on purchase, would I therefore not get the benefit of it on sale?

Prices of foreign stocks quoted on the London stock exchange and listed in the Financial Times include the dollar premium. Your holdings of South African and Hong Kong shares would attract the premium even though you did not pay the premium on purchase; their status was changed in 1972 when securities from the overseas sterling area became foreign currency securities.

Robbed of support

BY JOHN PHILIP

Lewis J. has ruled in *David Allen Ltd. v. Drysdale* that "subsidence means sinking, that is in fact settlement or subsidence as distinct from bedding in a downward direction as opposed to settlement which means movement in a lateral direction." But he went on to say, "I am of the opinion that subsidence in the policy covers both subsidence in the sense which I have defined and also settlement."

"Landslip," said Vesale J. in *Oddy v. Phoenix Assurance* "is a small landslide. One can perhaps define a landslide in different ways, but the accepted definition is a rapid downward movement under the influence of gravity of a mass of rock or earth on a slope."

In handling claims insurers have to abide by these judicial comments—none has sought to redefine either word in any policy to qualify what the judges have said. But some insurers do exclude claims for damage caused by the bedding down of new structures; while the intention of this exclusion is clear—and reasonable, for in the first few years of any building's existence, superficial cracks and sometimes more serious damage can occur—there is an inevitable grey area.

While it is clear what a new structure is, and that in this context the words must include the nearly new, when does a structure cease to be new? But perhaps this problem is more apparent than real, for expert evidence from surveyors insurers exclude claims where

the policyholder has a right to compensation. By long established law it is for the insurer to prove the applicability of the exclusion—so the policy by the coast or in a mine whose home is damaged nothing to lose by pursuing claim for subsidence; he not anticipate what the answer will be after the made detailed expert because it may happen when all the circumstances discovered, that insurer insufficient evidence to apply their exclusion, no one who has a "bored claim of this kind, eventually rejected by a should feel that he has treated unjustly.

Subject to the age of the sum insured, the buildings policy is indemnity. In other insurers are obliged to repair to put the home pre-subsidence condition when subsidence occurs, be prudent for the house to have extra work to guard against the risk of subsidence; strictly the such work is outside the cover, but clearly it is insurers' interests to at cost of such work included in the total claim—otherwise the home may not spend the most a further claim for sub may come along a few later. But for this problem, there no certain answer, since are so many variable policyholder must with his insurers, having to the particular facts claim.

Sale of wife's business

When my wife's business was sold, I agreed with the tax inspector for the tax year 1973-74 the figures of £214 for the balancing charge on capital allowances and £1,000 gain for the sales of the goodwill as the cost of acquiring goodwill originally was nil. (It was an entirely new business.) The £214 was offset by claiming relief under Section 168.

(1) Am I liable to pay tax for the £1,000? (2) If so, can it also be offset under Section 168? Earlier years returned tax agreed losses. (3) If tax is liable, is my impression correct that the first £500 of capital gains is ignored? Trading losses cannot be set against chargeable gains in calculating capital gains tax liabilities; this is prevented by section 21 (2) (a) of the Finance Act 1965.

The answer to question 2 is

therefore no, and the answer to question 3 is also no. As regards question 1, if the sale of the goodwill was the only relevant disposal in 1973-74, the capital gains tax liability cannot exceed £250 (that is, 50 per cent. of £500). This follows from section 57(2) of the Finance Act, 1971. It is too late now for your wife to elect for the goodwill to be valued at April 6, 1965, unless the Inland Revenue agree to extend the two-year limit for her. If your wife's business started before April, 1965, there is nothing to lose by submitting her notice of election (on a form CG21, which is obtainable from most tax inspectors' offices), but we do not hold out much hope of it being accepted at this late stage.

If your statutory income of 1973-74 (after deduction of loss from CGT, but this depends on relief, etc.) was less than £276, your statutory income.

there will be no CGT liability. The larger your statutory income, the larger will be the CGT liability, up to the maximum of £250 mentioned above.

We have hitherto assumed that your wife was under 60 on the date of sale of the goodwill. If she was at least 60 in December, 1973, and had carried on the business for at least ten years, there will be no liability. This follows from section 34 of the Finance Act, 1965. If the ten-year criterion was satisfied but your wife's age was between 60 and 69, the liability will be between zero and £250: the older she was, the less you have to pay. If your wife does not qualify under the ten-year rule, but either of you was over 64 on April 6, 1973, then your age may entitle you to some relief from CGT, but this depends on your statutory income.

Car hire

March of the redcoats

ONE OF the ways in which the British keep fit these days is to leap back from zebra crossings as approaching cars completely ignore the rule that says they should stop. Next time it happens to you the chances are that such a machine is being driven by a tourist, even if it has domestic number plates. August is a bumper month for car rental and there are probably 55,000 hired vehicles on the road this weekend, many of them driven on the left, never mind seen a pedestrian crossing.

The rental business in Britain has been in the doldrums for a couple of years now, hit first by the fuel crisis, then by a general downturn in the economy and rocketing car prices which have affected rental rates. The number of rental cars has remained pretty steady, although there have been a few changes within the ranks. So far it seems that Godfrey Davis, the one home-brewed giant, and Avis, which has succeeded in beating off the assault of newcomers—the first big threat was Budget and more recently Europcar—while Hertz has slipped to No. 3 spot after a period of apparent marketing indecision.

In fact it is not easy to grade car rental companies in league tables. Turnover, peak car ownership, year round average fleet size, rental contracts—all can produce differing leagues. However, by general consent the old No. 2, Avis, has overhauled Hertz world wide. Avis had a world wide total of 95,500 vehicles last year, compared with Hertz with 84,900. The



"We try harder" gang has seen if the car pulls one side or another. Most car rental companies don't expect too much big trouble from their vehicles too quickly. Avis off-loads any car that hits the 20,000-mile mark, which would require some fairly intensive driving since nothing in the fleet is over 12 months old and the norm for sale is nine months. These days it was a subsidiary of America's ITT, which group was forced by anti-trust rulings to sell the car hire offshoot. In the end the courts stepped in giving the ITT stock to a nominee for public sale on ITT's behalf. Now 52 per cent. has been sold.

Avis, whose world wide organisation is now headed by the Englishman who built up the U.K. operation, Mr. Colin Marshall, is currently making a considerable fuss about its £500,000 car care centre in Buckinghamshire, a servicing garage which makes most bigger cars look like something from the hammer and anvil days. At the moment the Langley centre is handling around 400 cars a week, giving them diagnostic oscilloscope tests and putting them on a £9,000 rolling road for a screaming halt from 65 mph to

popular vehicles to have in fleets. To-day a foreign marque is a rare sight—although Volvos are one exception—and the fleet purchasers have switched to shopping at home. For all their image, foreign companies are not always as good at supplying spares as quickly and on the scale that a rental company requires as one might expect.

Avis in the U.K. is now headed by Mr. Roy Foster who still has the "try harder" stamp which involves all Avis management in red-coated meetings—it shows that if we don't mind wearing them, we should not mind wearing them—and annual shifts at a rental desk finding out what life is like at the sharp end. At Heathrow Airport at the moment, the third largest Avis rental point in the world and the biggest outside the U.S., life can be pretty hectic, with an average 350 cars a day being rented.

But at least actually manning the desk gives directors a chance of producing that immortal line in response to the cry: "I wanna see the boss." "I am the boss."

ARTHUR SANDLES

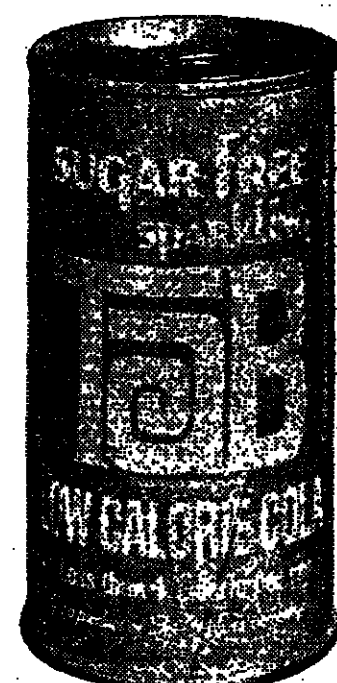
Soft drinks

IN A YEAR when the demand for soft drinks generally has risen by as much as a third in Britain, the demand for low calorie products seems to have caught all the manufacturers on the hop. Just over a year ago Coca Cola launched Tab, Energen jumped into the soft drinks pool with a range of One Cal products, including a One Cal and Pepsi-Cola brought Diet Pepsi to the British market. All seemed to go down quite well. But this mildly encouraging start has turned into a rush of demand, particularly in the waistline conscious south east, which the manufacturers are finding extremely hard to meet, if only because they did not order enough cans from Metal Box.

This year the low calorie drink market will be worth around £16m in the U.K., but a substantial part of this is in Slimline mixers, which is dominated by Schweppes. The low calorie market is worth perhaps £8m, of which about 60 per cent. is low-cal cola. Tab claims about half of this market with Diet Pepsi said to be strongest in the South, and One Cal, more popular in the north, reportedly sharing second place. Among the non-colas the battle is between Energen's range of fruit flavoured and Coke's product, Fresco, which tastes of grapefruit.

The history of low calorie soft

Lo-cal war heats up



drinks goes back a long way. The U.S. market was entirely in the hands of Diet Rite until the early sixties when Coke produced Tab, now claimed to be the world's biggest selling diet cola. Tab was launched in the U.K. in the mid-sixties, in specially designed bottles which are now collectors' items. It was withdrawn when cyclamates were banned and only re-intro-

duced here last year when Coke was convinced that it could overcome the after-taste problems and considerable confidence of sacharin, and possibly because it got wind of rival offerings when it could be offered.

The first Tab of this re-issue was not, in fact a cola, among the missing ingredients was caffeine, and so early Tab was never promoted, as it is now, as a cola. These 1976 Tab cans have white on red labels, unlike the more recent yellow on red, of Coke, which has not made the "white Tab" since March gets quite cross when it finds the occasional store still selling it—and probably charging a summer '76 price.

Coke is spending some £300,000 on promoting Tab at the moment, mainly on TV but as far as consumers are concerned at the moment the marketing war with Pepsi, also using television, and One Cal, is almost academic. I checked ten supermarkets in London a few days ago and could not find one which offered a range of low calorie drinks. Most outlets said they simply could not get them and those that did have any only stocked one of the three.

Now that lo-cal drinks are developing consumer acceptance for cans the next step is to get it into bottles for larger take-home consumers, and the restaurant trade. To put a soft

drinks into bottles that requires massive investment and considerable confidence in the future. Even Coke's cause it got wind of rival offerings when it could be offered.

But cans are a source of concern to the companies. 11p-12p that a consumer never promoted, as it is now, pay for a lo-cal drink in as a cola. These 1976 Tab cans market-to-day, 4p is for a 10 per cent. rise in the more recent yellow on red, of that can therefore to the cost of the pro "white Tab" since March gets quite cross when it finds the absorb that sort of price occasional store still selling it—The great advantage of course, is that they have to be washed, drought starts to bite at washing becomes a by the drinks themselves counted as food and would not be affected by water regulations.

Indeed some of the soft companies, like Schweppes, have such effective purification plants to water even after it come the local tap supply th may be recruited to some public water supply the reservoirs empty so a concentration of foreign made the water builds up. Pe Coke plants round the have already been used past for additional purifi It might happen here

ARTHUR SAN

Gardening

Adding curls to peas

THIS YEAR Unwins of Histon, Cambridge, is introducing a new private gardener, one Silas Cole, working for the Countess of Salisbury. Nothing Spencer, which gave its name to the new race. So far many out of their soil and spaced singly at least eight inches apart, they usually in twin rows one foot apart, with a four or five foot alleyway between if more than one double row is required. A one double row is required. A one double row is required. A one double row is required.

But it was the seedling of a private gardener, one Silas Cole, working for the Countess of Salisbury. Nothing Spencer, which gave its name to the new race. So far many out of their soil and spaced singly at least eight inches apart, they usually in twin rows one foot apart, with a four or five foot alleyway between if more than one double row is required. A one double row is required. A one double row is required.

Now this is the kind of spontaneous change that would be useless to *Lathyrus odoratus* in the evolutionary struggle for existence, and so in the wild it would be abandoned almost as quickly as it was produced. But wavy petals gave the sweet pea a new, and to most people, even more delightful appearance; so much so, indeed, that the new varieties were not only preserved but sparked off a greatly increased intensity of sweet pea breeding.

Gladys Unwin was produced by a nurseryman, William James Unwin, who introduced it in 1901, and might have been expected to be well placed to publicise the event.

By late March, or maybe early April if the winter is prolonged, the seedling can be planted outdoors, but carefully shaken out of their soil and spaced singly at least eight inches apart, they usually in twin rows one foot apart, with a four or five foot alleyway between if more than one double row is required. A one double row is required. A one double row is required.

Whatever type of sweet pea you fancy, if your aim is to produce the longest stems and the largest flowers possible it will be necessary to obtain seeds fairly soon and sow them in pots at the end of September or early in October. The usual method is to sow three seeds in each three-inch pot and place these in a frame or unheated greenhouse for the winter. The seeds should germinate fairly quickly, but the seedlings, with no artificial heat to push them along will grow slowly. Some time in December the tip is nipped out of each little plant, which will make it produce several side growths, but only the sturdiest of these is retained, the others being removed at an early stage.

Most people who grow sweet peas are for the pleasure of the sight of the flowers, but some are for the pleasure of the taste. The sweet pea is a member of the Fabaceae family, and its flowers are a source of food for many insects, including bees. The sweet pea is also a source of food for many birds, including the common garden pea.

The English country garden is not what it was in early Victorian times. The Sweet Pea, for example, in its present form is a 20th Century development, as A. G. L. Hellyer describes.

will they bother about the tips of the seedling can be planted outdoors, but carefully shaken out of their soil and spaced singly at least eight inches apart, they usually in twin rows one foot apart, with a four or five foot alleyway between if more than one double row is required. A one double row is required. A one double row is required.

These Jet Set sweet peas are finding unusual ways of using swe in the garden. In one visited this summer the planted on a screen with ing roses, not so much a intermingling with the stems, but filling in between the plants. They charming and helped to screen bright with flow tween the flushes of rose. The new Jet Set varieties their modest height of 3- thereabouts and their pit of flowers would be ideal kind of planting.

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It might appear that since judges give extra for the number of flower stems. In fact they have a proven as good for a table growers have demonstrated that the tendrils of culinary peas are just as efficient manufacturers of plant food as leaves. I wonder if that refinement of tendrils removal is really enhance the appearance of exhibition vase. It is another example of how content to buy their seed in January and either sow it under cover, in February or early March or directly outdoors in late March or early April where the plants are to flower. Nor to sweet peas.

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Motoring



car Rover must bite

UART MARSHALL

THE BENZ still controlled the 100 was launched and a lot of people who the car here thought it front-drive Mercedes, w Audi 100, which goes in Germany next month, will reach Britain in ber, could also be in for a Mercedes at a glance on a misty g.

ect, Daimler-Benz has to do with Audi ys. Audi is part of the agen operation and the 0 follows the same very ful lines as the Audi 80 kswagen Passat, those brothers under their

he new Audi 100 is comy bigger than the Audi at 15 feet 5 inches, is ches longer than the is 100. Coincidentally, it ly as long and as wide new Rover 3500. Inside, qually roomy—the front el even more spacious e centre console is r than the Rover's—nd vast luggage accommoda- similarity ends here, how- Though both cars are at the same middle-to- executive market, they little but their size in n.

Rover is a five-door back," the Audi a four- aloon with a boot, though door version is promised Geneva Show next year. ave chosen four and five- r engines of 1.6, 2 and tres capacity whereas s V8 engine 3500 will ed by 2.3 and 2.6 litre in du course.

he manual transmission, Audi is a nice, civilised car. It over is ultra high geared, so the Audi. The five- ver engine of the manual all four wheels firmly on the

Golf

Looking for new giants

BY BEN WRIGHT

WITHOUT DOUBT, the current musing aloud at his short but golden era in golf was sparked off by the tremendous deeds of Arnold Palmer, Gary Player and Jack Nicklaus. And when Mark McCormack was managing all three of them before his acrimonious split with Nicklaus, he was far from slow to realise their market value as golf's Big Three.

There was a time when the position of both Palmer and Player in that exalted trio was made to look a little suspect by the emergence of that most engaging upstart, Lee Trevino. But Player fought his way back with typical determination after major surgery in 1973 to enjoy perhaps his best-ever year in 1974. And despite his comparative lack of success since his last major championship victory in the U.S. Masters tournament of 1964, Palmer had become a legend in his lifetime, and even now commands respect and adoration every bit as fervent throughout the world as he did ten years ago when his playing record justified both in undreamed of doses.

Yet there was a feeling in the air at Congressional Country Club on the outskirts of Washington, DC, at the end of the 58th U.S. PGA championship earlier this week that we might be witnessing the final disintegration of a modern triumvirate every bit as influential as was the original one of Harry Vardon, James Braid and J. H. Taylor. It was a sad moment.

Palmer consoled himself by

Player has been clutching at straws all year, asking advice on his golf swing from all and sundry, a distressing sign to those like myself who have marvelled at his sheer guts and dedication.

But perhaps the biggest disappointment to this fervent admirer and certainly to himself, has been Nicklaus this year. Following his suicidal gamble in going for a pin set close to the water at the sixth hole with his second shot, just after taking an outright lead for the first time, Nicklaus several times putted short when he subsequently set up several opportunities for birdies to get back at Stockton.

His three putts from the front fringe at the par three 12th hole were as surprising as was the timidity of the tee shot. To say that Nicklaus has lost his nerve after he has tied for 11th place in the 1978 Masters, 11th in the U.S. Open, second in the British and fourth at Congressional is plainly absurd. But the danger signals are there for all to see. The era of the golfing superstar is surely drawing to a close as a veritable pack of youngsters begin to tear the Big Three apart.

If anyone should take heart from Stockton's victory it should be Peter Oosterhuis, who could have finished tied for 30th instead of 38th place had he not quick-hooked his drive at the final hole to take six within minutes of holing in one at the 211-yard 16th with



Lee Trevino

Glyn Gwyn

a magnificent one iron shot, Tulsa, Oklahoma, in August, 1970, to win the U.S. PGA such a poor driver that his very existence as a tour player

I admired Stockton's guts then. It was so hot and humid that I left my perspiration-drenched shirt to dry out in the clubhouse sauna bath after nine holes, putting on a clean one for the inward half. But Stockton was really relishing the fight, not only against Palmer but against his army, just as he revelled in the tight finish on Monday evening.

Heat can only help a man who badly broke his back as a teenager when water skiing—he returned to golf for therapy. But I was amazed when Stockton told me on Tuesday morning the story of his winning putt from 18 feet at Congressional as we flew in Hartford, Connecticut, the next stop on the tour.

"The crowd moaned when I hit my chip shot, thinking there had to be a play-off. I told my caddy, Mike Rose, to give me the putter and I would shut them up, and I told him to get ready to pick the ball out of the hole. Not for one second did I think about missing."

TREVOR BAILEY

Soccer

THE ENGLISH football season really swings into action to-day with the start of the League programme, which lasts until mid-May and is the longest and most demanding football campaign in the world.

The three newcomers to the First Division are Sunderland, West Bromwich Albion and Bristol City. Sunderland, back where they belong, should establish themselves: WBA will probably find themselves battling it out with several other Midland clubs in the lower half of the table, and Bristol City may well experience some difficulty in avoiding relegation.

Who will win the championship? My money is on the flair and experience of the talented Derby County, while there is little doubt that the well-drilled Liverpool machine, the current holders, will be found in the top five. They have the consistency so essential for a protracted campaign of this kind, and the vital asset of being able to snatch both points even when not at their best.

The most exciting team last season were Manchester United, who demonstrated that lively attacking soccer can achieve results as well as delighting spectators. Although they eventually failed to carry off the League and the FA Cup, it is to be hoped that they do not abandon their refreshing

style which brought such colour and excitement to the game.

The surprise side could prove to be Aston Villa, providing they can avoid the injuries which handicapped them last year. For sometime they have looked close to developing into something rather special and they are serious candidates for a major honour.

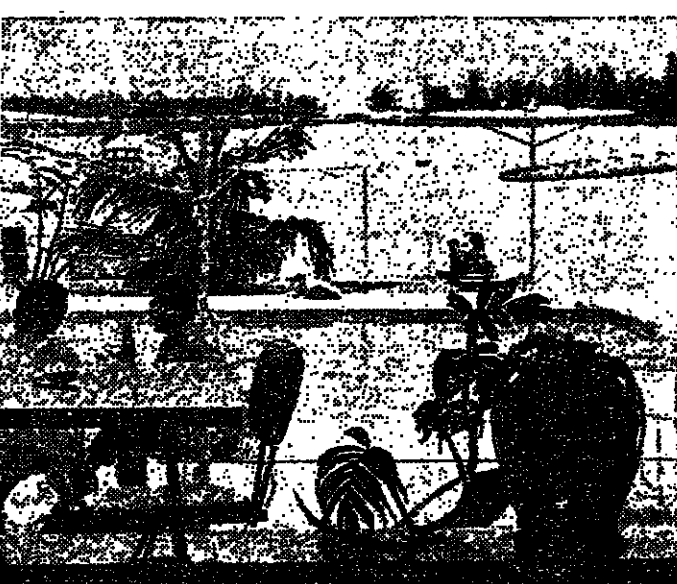
The two imponderables are Ipswich and Leeds United. Both failed to fulfil their potential in 1975-76, but possess sufficient talent to recapture the missing spark, with the former appearing a better bet because of their number of young players.

The prospects for the metropolitan clubs does not look over bright, but Arsenal might well

Travel Island in the (eastern) sun

UGHA A fog of jet-lag coast it spreadeagles its elegant sement, impressions pavilions, its golf course and ed us of slender palms tennis courts, its water sports white sands and the sea harbour and its lush gardens, ing on coral reefs. Sun-comes very high on my list of d figures in minimum notable new destinations.

ature relaxed round a This 120-square-miles of ade lagoon with two lozenge-shaped land, encircled is on it. There was an by a protective necklace of coral tra and dance floor on in the middle of the Indian land, and a bar on the Ocean, offers quite exceptional from which the clink of variety for an area about the cocktail shakers merged equivalent of Surrey. From sea breezes whispering highlands, fragrant with th palm fronds. To us, conifers and wild flowers, to arrived escapees from a tropical lowlands and the kind British autumn, 14 hours of beaches most of us dream fearily half a world away, about, it is all there.



Hotel Isle de France

The Dutch gave it its present name and introduced the sugar cane in about 1650. The French

moved in from 1715, leaving their own indelible seal and making themselves such a nuisance on our trading routes as to precipitate their own downfall and a British take-over in 1810.

All the same, we kept our promise to leave the cultural life of the inhabitants undisturbed and, if it were not for a few official signs in English, the unmistakable silhouette of Queen Victoria in front of the graceful 18th-century Government House in Port Louis, and the traffic circulating on the left, you could justifiably assume this to be a former French rather than British out-post. And, thanks be, an out-post it still is, despite a scattering of medium to excellent hotels and the fact that it is now featured by a number of leading U.K. tour operators.

With the island's visitors totalling around 75,000 a year and those from Europe, as yet, under 20,000, there is a lot of space and little commercialisation.

A peculiarity of tour prices to Mauritius is that they are almost at their lowest when the weather is at its best. December to March is the hottest (and wettest) time, though fortunately the worst cyclones, of which Mauritius has produced some pretty devastating examples, occur with predictable regularity every 15 years; the last—Gervaise—was in 1975. July and August are the coolest months. September to November is the idyllic, dry, balmy season and it is precisely then that your 14 day holiday may cost you £20-£60 less.

The St. Geran is the most expensive place to stay, and

worth it if you feel like spoiling yourself. Rankin Kuhn offer 14-night holidays here for £517 from mid-October to early December, with half board. At the Merville Hotel in the more animated Grand Baie area in the north-west, the equivalent cost is £466, with an extra week's accommodation thrown in free up to October 24 and after May 14. Down south at the Dinarobin or Morne Brabant, prices begin at £489. Car hire (highly recommended) is from £11.50 per day with unlimited mileage. Bales Tours feature several of these hotels at slightly lower cost, as well as the inexpensive and cosy Auberge Isle de France on Grand Baie at from £355.

Port Louis is a homely rather than a spectacular capital, where even such imposing buildings as the Jumamah Mosque have become entangled with little shops. From May to October you can have a day at the races at the oldest racetrack in the southern hemisphere, over looked by Fort Adelaide and a modern Chinese pagoda. And at any time you can go bargain hunting in the central market where wares range from fruit and spices to sarongs and katanas.

But it is the Mauritian countryside that provides such a collection of canoes to remember. The skyline of knobby volcanic mountains, several topping 2,500 feet, is almost ever-present, but the views of them soaring out of the sea in the Black River Gorges area of the south is a really major scenic sight. There is some new visual pleasure round almost every corner: women moving in bright splashes of colour among the tea plantations or tending tender green crops of onion and garlic; the ubiquitous sugar cane being harvested or transported in shaggy loads from field to factory; the exuberance of some Hindu festivity; the washing hanging out to dry on bushes and boulders; the lively, untidy villages whose grander dwellings mimic distant French chateaux; and, in contrast, the untamed volcanic landscapes of coloured earth and tangled vegetation.

In its own way, Mauritius is a microcosm of much of the rest of the world—scenically, ethnically and culturally. So far it has avoided many of the pitfalls that go with developing tourism anywhere.

Some tour operators to Mauritius: Rankin Kuhn Travel, 19 Queen Street, Mauritius, London W1X 8AL; Bales Tours, 12-17 Coventry Street, Piccadilly, London W1V 5SL; James Vance Travel, 21 Edgware Road, London NW9 9NS; Thomas Cook, 50 Mark Lane, London EC3A 7LB.

SYLVIE NICKLES

Leisure War paints

BRITAIN'S 4m. leisure is dip their brushes into steady and perhaps even grow- is open to all final year students at the 65 art colleges over the an be pretty sure that it draw hope from indications country. While Winsor and Newton sources—Winsor and home-painters are in the 16-34 and Rowney produce high- n, Rowney or Reeves. age group. It is generally for the professional artist and from the odd family com- and some imports, these operations keep the es of the U.K. colourful, seems assured of continuing artists' paints market in

tops £20m. a year in with Winsor and Newton the biggest single share, d by Rowney and then. But Reeves is leader in onal supplies. It has been Reckitt and Colman for t two years and now the foodstuffs group is to acquire a company would take it up-market. and Newton's Board z the idea in the face bidding from Letraset. artist materials market urses, much more than a are glad to take on a few com- bs of oil paint. Water- acrylics, crayons, and a of ancillary equipment, ng brushes, are all part scene. In the '60s the economy enjoyed a boom id the art market was no on. But painters—defined context as anyone who rush to canvas at any a year—consist of 8 per f the British population, e all so excessively keen, is hobby that they will young, you will keep the e buying whatever equip- ey need.

The large companies feel that the bulk (two-thirds) of their customers live in London and the south-east and the remain- ing third is split equally be- tween the other large conurbations and the sparsely populated areas like East Anglia, Wales and coastal areas which are traditional artist retreats.

Winsor and Newton believes it hobby that they will young, you will keep the e buying whatever equip- ey need.

CHRISTINE BURTON

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The Arts

Caribbean festival in Jamaica

BY JILLIAN BINNS

The Festival of Caribbean Arts, which this year took place in Jamaica, is growing into an important cultural event of a unique kind. Twenty-two countries from Latin America and the Caribbean provided exhibitions, performances, and symposiums of high quality and universal interest.

The ethnic roots of these countries are basically Amerindian and African. Add the influence of Asian, Chinese, and European cultures and the visual kaleidoscope of folk art is of such diverse proportions that some of the national costumes have a bizarre carnival impact rather than one of heritage.

Apart from the Folk Profiles performed by each country, explaining their ethnic origins and cultural progress, *Carifesta* is a canopy for individual festivals of theatre, film, music, dance and fine arts. There were seminars on film and theatre, and a five-

day literary symposium with poetry readings and discussions involving writers from the area. At a mass rally on the theme "Culture for the Liberation of our Peoples" guest poets read stirring poems and C. L. R. James, revered Trinidadian writer, spoke briefly and to the point on freedom and true equality.

The most interesting of the Folk Profiles came from Surinam, a country with unusually heterogeneous roots. Delicate Javanese butterfly dances with superb intricate finger-language in Asiatic gestures were suddenly replaced by whirling Indian braves, who in turn transformed into virile African drummers. The costumes were ornate and richly decorated like Javanese gods, but the head-dresses were haloes of Indian feathers, and around the ankles African rattles rustled like straws in the wind. The music was played on drums

and a primitive kind of xylophone, with the bells of Java jangling in the background. Gradually the drums took up the African beat.

Jamaica has five professional theatre companies that range from satirical revue to serious drama. *The Witch* was a romping musical, in a tradition vaguely related to English pantomime. It had flamboyant direction from Yvonne Brewster, and a powerful, witty script by Barbara Glendon. It poked fun at politics and society and told a folk legend which was itself lampooned. This was a truly local production full of warmth, zest and humour, with lively music and dancing.

In contrast *Echo in the Bone*, by Denis Scott, was an historical saga about slavery seen through reminiscences at a Wake. The direction was imaginative and at times sensational, when a runaway slave struggles across a rope strung over the auditorium. There was no scenery, the emphasis was on the actors. As the widow, Claudia Robinson gave a deeply moving performance. And Munira Zaca as one of the sons was an extraordinarily versatile actor.

Exciting visiting drama came from Trinidad. Derek Walcott's Theatre Workshop has been to New York and received excellent reviews. *O'Bobolus*, his latest musical play, is about a group of Rastafari centred round a poignant love story. The music, by Galt McDermott (who wrote the music for *Hair*), was catchy "intellectual" reggae. And the talented company sang, danced, and acted their way through this Jamaican story.

The film festival included an hilarious short film from Curaçao telling the story of two astronauts, one black one white, who land on the Moon and are eaten for breakfast by a sinister Luna Lady.

Two films were exceptional. Jamaica's *The Harder They Come* has had a short run in London; it improves on seeing again. Perry Henzell, its director, was responsible for bringing to England the visual impact of the Rasta and for confirming reggae as the Jamaican Beat. The film shows the harsh, realistic comment of the problems of a country boy in Kingston.

The second film, *Pressure*, claims to be the first film made in England. It is directed by Horace Ové from Trinidad, who also wrote the witty, vigorous script with

Samuel Selvon, the West Indian novelist. Its theme is fairly predictable but is treated with delicacy and imagination. The BFI backed it and after private viewing in London the critics praised it. Now is the proper time to show it, for it deals passionately with the core of our racial troubles.

In the dance arena Mexico's Folklorico company, heels tapping and skirts swirling in spirals of colour, almost outstepped the superb Modern Dance company from Cuba. Influenced by the rigorous discipline of Cuba's Alicia Alonso classical company, it was otherwise wholly individual. In *Sulabari*, a ballet based on the eternal relationship between man and woman, accompanied by three couples move like etched silhouettes.

Alastair Sim dies

Alastair Sim died in London yesterday. He was 76.

Though he will always be remembered predominantly as a comic actor, Alastair Sim was a serious man. He began his professional life as a lecturer in elocution in Edinburgh, and did not make his first stage appearance until he was 30.

He was closely associated with the director, Noel Coward, who was directing (or both) many of his plays, such as *William Golding's The Brass Butterfly* and *Shaw's Too True to Be Good*, where his creative side had freer rein.

as if they were uproariously funny, as he did in the *Pinero* farces that were among his most recent appearances in London.

But he was also capable of giving a sinister undertone to an outwardly staid part, such as the doctor in the film *Waterloo Road*. His performance as Scrooge in the Christmas Carol film may be regarded as definitive, but it represents the more facile side of his talent. His true ability was better displayed in such plays as *William Golding's The Brass Butterfly* and *Shaw's Too True to Be Good*, where his creative side had freer rein.

Theatres this week

HAMPSTEAD — *Clouds*. New comedy by Michael Frayn, with consistently funny dialogue and nice acting by Barbara Ferris, Nigel Harman, et al. but weak on plot. Opened Monday.

JEANNETTA COCHRANE — *Here Comes the Sun*. Barrie Keeffe's new play written for the National Youth Theatre. The play is designed to show how badly British teenagers behave when they go on holiday to the Costa del Sol, without any criticism or social investigation. Well, it gives lively parts to a lot of young actors. Opened Monday.

STRAFFORD — UPON — AVON — *Troilus and Cressida*. John Barton's second recent shot at this difficult play emphasises the unworthiness in almost all the characters, so that Thersites (John Nettles) and Pandarus

(David Waller) seem the principals. Mike Gwilym and Frances Annis play the name parts. Opened Tuesday.

SHAW — *The End and the Beginning*. More National Youth Theatre youngsters in another hotel, Bayswater this time, in another new play from Peter Terson. They seem to be having a good time. Opened Wednesday.

Pitlochry Presbyterians

BY ANTHONY CURTIS

In common with James Bridle, Archibald Pitcairne, born in 1682, was a distinguished Scottish doctor who amused himself by writing plays. But unlike Bridle there is scant record of a Pitcairne play actually being performed until July of this year when an adaptation of his anti-clerical comedy *The Assembly* (1692) by Tom Gallacher was included in this season's repertoire of the Pitlochry Festival Theatre.

Let the more sceptical among us might regard Pitcairne as a creation of the fertile brain of Mr. Gallacher he produces some impressive credentials for him in the programme: Pitcairne had a flourishing Edinburgh practice, became a founder member of the College of Physicians and Professor of Medicine at Edinburgh University. Pitcairne was also a poet of sorts and a political pamphleteer. "From the original text of *The Assembly* it is clear," Mr. Gallacher says, "that he became familiar with the form and manner of early Restoration Comedy. The characters he invented bear close association with those of *Shogun* and *Wycherley*."

From *A Presbyterian's Wooing* it is equally clear that he was familiar with Molière. The shadow of *Tartuffe* looms heavily over the play which turns upon the efforts of two Edinburgh gallants of Jacobite sympathies to gain the favours of two flighty maidens whose honour and persons are jealously guarded by their aptly named aunt Lady Bigot. Like Elmore, Lady B. is besotted by religious observance and she is wholly under the domination of a two-faced lecher of a minister Solomon, the most *fais de tout* ever to walk the boards.

To make things worse her own daughter when the play opens is eight-months gone by his sanctimonious courtier, Wordy (James Fleet), and her maid-servant who has had to appear before Solomon as a penitent on a charge of fornication finds the price she has to pay altogether commensurate with the crime. Pitcairne via Gallacher has no use for Gallic subtlety nor for English urbanity. He lays it on as thick and as appetising as porridge. Alec Monteath as the great randy crow of a priest claws mercilessly at the bosom of Lesley Staples' squeaking maid (though what is a Cockney slaving doing in 17th century Edinburgh?) He takes the Song of Solomon as his text and double meanings abound. "A fallen member may rise again," he declares. The huge belly of



Joanna Cooper and James Fleet in 'A Presbyterian's Wooing'

Joanna Cooper's pregnant daughter is shielded from her mama by a tapestry frame on which she is weaving a scene of the Annunciation, a cue for more ribald blaspheming.

If we are occasionally at a loss, among all the scurrilous and swoonings, to fathom a reference to King Louis or King William and the siege of Mons, it is no matter because there can be no shadow of doubt as to who are the baddies. All that is in fashion is black, and it is the wheeze of disguising the amorous gallants (Alec Heggie and Crawford Logan) in the black habit of ministers that allows them to infiltrate Janet Michael's piously guarded drawing-room and gain the desired access to her charges. The lesson of instruction in priestly demeanour given by Martin James to these two eager acolytes provides the most fleshed-out and satisfying comic scene of the evening.

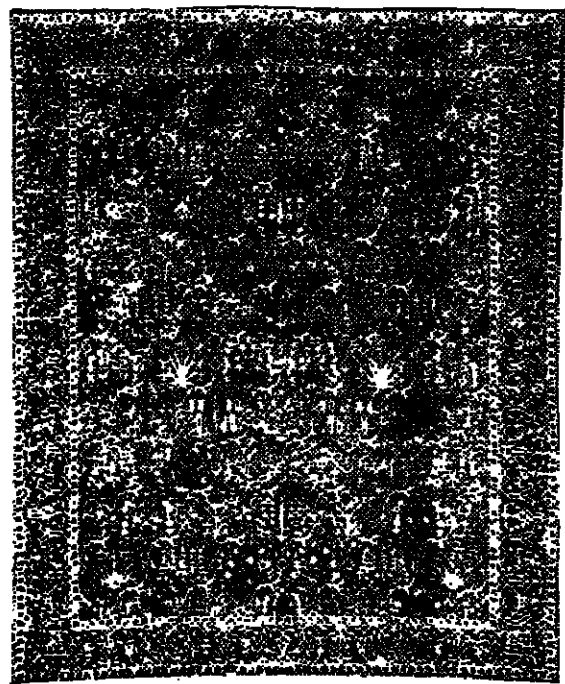
Charles Bell directs the hawdy romp with a fairly sure hand that never applies "curt" or snaffle. Colin Winslow has devised some simple but ingenious settings, that with a whisk of a curtain can change from tavern to kirk to street to drawing-room even if we could

admire the Summer the



A drummer from Surinam

Sotheby Records



A 16th century North Persian shawl, 331 by 287 cm., sold on 14th April, 1976, for £62,000

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The price realised for this carpet was one of a number of record auction prices achieved during the series of Islamic sales which took place from the 12th to 14th April, 1976. The five sales totalled more than £1,300,000.

A second series of sales will take place in the autumn and will include Islamic antiquities, metalwork, ceramics, enamels, arms and armour; Oriental manuscripts, miniatures, carpets, textiles, lacquer; European paintings, drawings, prints, photographs and books on Islamic subjects.

The closing date for the consignment of property for inclusion in these sales is 1st September, 1976.

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Collecting Art à la carte

WHILE THE LONDON salerooms take on more and more the streamline look of big business, Sotheby-Parke Bernet's annual Gleneagles sale on August 23 and 24 manages to retain its old-world social air. Two of the three sessions don't start till 9 p.m.; and a slip in the catalogue obligingly confides that there is à la carte in the Glen Devon Room and self-service buffet in the Barony Lounge at the Gleneagles Hotel, where the sales take place.

Gleneagles coincides with the Edinburgh Festival and also ties in with the big celebrity golf tournament. You would suppose it to be a tourist attraction if it were not that tourists as such are notoriously bad saleroom clients. Originating eight years ago, in the days when the big auction rooms could still afford a longer summer recess, Gleneagles was perhaps simply a pleasant and elegant way to take Sothebys up to Scotland, once a year, for the pleasure and convenience of a specifically Scottish market.

It serves too to highlight goods of a particular Scottish interest. Some indeed, like the salmon rods and the bagpipes (Lot 29 includes not only "A good stand of great highland bagpipes," with accessories, but also two sporrans, two plaids and a practice chanter) sound as if they may be there mostly for local colour. The auctioneers' estimates, however, indicate that there's something of a premium on the very Scottish items. Lot 108, which looks like a cross between a toaster and an ostrich-size egg whisk, is in fact a George III Scottish Bannock Toaster; and will, it is hoped, realise between £250 and £350, which sounds an awful lot.

With a generous lack of discrimination, English silver is classed along with Scottish, and not in the "Foreign Silver" section of the catalogue. Scottish silver has of course a distinguished history dating back to Celtic church metalwork of the 12th century, though political and religious upheavals have left few examples earlier than the mid-seventeenth century.

The most notable piece of silver to be sold at Gleneagles is a Stuart "Quich," a peculiarly Scottish two-handled, silver bound and mounted wooden cup — dating from c.1675, the beginning of the great age of the Scottish silversmiths, before easier communication with London began to produce greater uniformity between the crafts of the two countries.

Other specifically Scottish objects of vertu include a group of wax and glass paste portraits by James Tassie, the Glasgow stone-mason who was inspired



Edmund Thornton Crawford R.S.A. Fishing boats, Loch Fyne



William McTaggart R.S.A., R.S.W. detail of 'Herding a miltam and ewe for her puit marnie'

by the accidental sight of a collection of paintings to become an artist, and whose art as a creator of cameo portraits, said Josiah Wedgwood, "it is a credit to emulate" (though he added, rather meanly, "although his seals are not as good as mine").

Other areas of the sale seem deliberately to evoke the Victorian romantic, Balmoral image of Scotland: the animalier bronzes of cattle, horses, hunting dogs and an eagle (mostly French in origin, of course); the rather woolly highland cattle paintings of Louis Rosworth Hunt; the highly prized, highly finished, greetings-card pictures of game birds by Archibald Thorburn, George Edward Lodge and Henry Leonidas Lodge.

More interesting is the evidence of the Scottish tradition in painting in the work of native artists. From the nineteenth century there is a group of charming romantic landscapes by Alexander Nasmyth, father of a whole clan of Scottish painters; and another series of landscapes by Samuel Bough, who as a youngster, working across the border in Carlisle, broke out from drudgery in the Town Clerk's office to join a band of spies. It was in these years that he developed his graphic gift at the same time acquiring nomadic traits that he was never afterwards to lose.

Of the artists associated with the later Glasgow School there is an important group of paintings by Edward Atkinson

Hornel who, with his George Henry (following a trip to Japan) remove the emphasis subject and from realistic treatment to the use of decorative colour path.

From a more recent the important William Collection of drypoints William Russell (1811-1891)prising some 70 prints, fine and rare early state some unrecorded proof.

A small but extremely enjoyable group of 8 represents the work of artists who exhibited in the first three decades century as "The Colourists." Francis C. Bolleau Cadell, John Ferguson, George Leslie and Samuel John Pepple senior member of the group in some respects his least trained in Paris in the around the beginning of tury, and were deeply im by Cezanne and late Fauves, though they evolve their own quite individualistic style.

The sale includes seven scenes and an oddity still life by Begbie, a fascinating little portrait by "Parisienne" by Ferguson, most stunning picture a group — and perhaps a whole sale — is a colour cation by Cadell, a studio is of around 1920, in which chair perched upon a table is in dialogue with cloth draped over a chair rearground of a room pain contrasted cool tones of a and blue and grey.

JANET MA

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Property

The cottage in the country has long been a British dream, made more distant perhaps by present economic circumstances. But even today finding one is not always simple

Search stamina

BY JUNE FIELD

YOU NEED even more stamina local publican if they know of and perseverance for out-of-town property searches—not to mention the cost of petrol. A reader showed me some time woman civil servant I know back was a 6-point sheet that spends nearly every week-end he sent to a selection of country driving several hundred miles agents.

searching for a cottage to use for week-ends and holidays now, and retirement later. It will be her first ownership as she lives in rented accommodation at the moment, so she wants to make sure she finds the right place. She has been looking for over a year for a cottage to do up, in the £12,000-£15,000 price range.

"Not too dilapidated so that I can stay in it while work is going on," is the main stipulation on condition. The area should be accessible to a motorway, in a pretty village, not isolated, but not too built up, and the search has led to Bedfordshire, Buckinghamshire, even into Warwickshire.

Her plan of campaign includes sending for details from newspaper advertisements, and discarding the ones without photographs. She then researches the area in guide and local history books, and if there are a lot of places for sale, tries to find out why people are moving away.

She thinks agents still present things in too rosy a hue. "Retaining its original character" usually means the place has not been touched for years. "Surrounded by open farmland" omits to mention the electricity pylons or cement works nearby. And the majority of the estate agents seem not open on Saturday afternoons or Sundays, the time when most people want to view, it is a question of finding your own way to a property that could be well tucked away. On arrival in a village she usually gets help from a local shopkeeper, and also asks both them and the

Another good idea that a reader showed me some time back was a 6-point sheet that spends nearly every week-end he sent to a selection of country driving several hundred miles agents.

From N. Brown: Address and office telephone number. April and retirement later. It will be her first ownership as she lives in rented accommodation at the moment, so she wants to make sure she finds the right place. She has been looking for over a year for a cottage to do up, in the £12,000-£15,000 price range.

1.1 wish to buy a small period country house or cottage within commuting distance of London. If Waterloo, Charing Cross, Paddington and Liverpool Street are the termini preferred—in that order. However, all areas would be considered if other desiderata are met.

2. Accommodation. 2-3 reception rooms, downstairs cloakroom with basin and WC. Larder and if possible scullery. Downstairs bathroom is not desired. 3 to 4 bedrooms and two bathrooms. If only one bathroom, an additional bedroom would be required for conversion into a second bathroom.

3. Location. Must be completely rural and secluded. Not overlooked or over-lookable. Not immediately adjacent to other houses or farm buildings. Absolutely unspoilt and unspoiled situation is essential. Not near a housing estate or any industrial, commercial or residential development. Not near a projected New Town or similar phenomenon. Not facing on to a road.

4. Garden. Small, easily managed. About one half to one acre. Plenty of trees and shrubs.

5. Price. Around £10,000.

6. I should be very grateful to receive particulars of any properties on your books which meet these requirements.

The plan finally produced a particularly picturesque 16th century half-timbered house which met the requirements. It is interesting, if academic, to



Oakbeams is a four-bedroom thatched weatherboard cottage in a large garden with a detached garage in Thorpe-Le-Soken, near Frinton, Essex, at £21,500. Details: Baintow Eves Country Property Department, 218, Hutton Road, Shenfield.

note the price of nearly a decade ago. "Good cottages are becoming increasingly difficult to find and particularly those standing in very large gardens or two or three acres find a ready market," G. Poinsett of Bedford's in Norfolk told me. "Purchasers generally prefer to buy low priced unmodernised properties, which they can renovate themselves incorporating their own ideas but, unless they have cash available, this is an impractical proposition, and we have many disappointed young couples who wish to purchase and renovate an old cottage but cannot obtain the necessary bridging finance until such time as the property is in a mortgageable state. Partly for this reason and partly because of the escalating building costs the price of unmodernised cottages has remained fairly stable or even fallen over the past two years."

Bedford's Cottage Property List, obtainable from 62 London Street, Swaffham, includes some interesting barns for conversion in Litcham, an attractive mid-Norfolk village eight miles from Dereham, and a 19th-century drive from the North Norfolk coast. The barns are grouped around a pleasant courtyard, adjacent to the old moated Manor site, which belonged to Sir

Thomas Felton, a friend of the Black Prince. After the dissolution of the religious order at Litcham by Edward VI, they became the centre of a tanning industry and hundreds of cattle horns were dug up under the floors earlier this century. The main barn is basically 18th century, with a raised roof of circa 17th century.

Planning permission to provide three-bedroomed units has been granted, and plans can be seen at the agents' office: the equally interesting prices are £2,000 for the large barn, £5,000 for the whole, or £4,000 for the single barn.

At Swaffham there are three flint and brick cottages for modernisation which can be bought together or at £3,250 each: in the small hamlet of Ivy Todd there are two cottages at £3,900 each, with another one at Fakenham in the same price bracket; in the Dereham district a pair of thatched cottages are £12,000 for the two. Already re-stored is a tiny place at Burnham Market, £5,250, and also in the Fakenham area there are several semi-detached two bedroomed flint cottages at about £3,950.

Baintow Eves report that prices for country properties have settled down during the past 12 months. "We note an increasing demand for property

away from the urban environment," says Judy Terry who runs their new country property department. "People seem to be prepared to travel quite long distances to work, either in London, Colchester or Chelmsford. East Anglia is expanding quite rapidly, due in part to the dock complex at Felixstowe, Ipswich and Harwich, and industry and commerce are moving away from the capital. Prices do not yet reflect this expansion to any great degree, and the buyers are only just beginning to be aware of the fact that good properties are more realistically priced here than in the home counties."

Write to them at 218 Hutton Road, Shenfield, Essex, for a property folder which currently includes modernised cottages such as Tudor Cottage, Brightlingsea, at £3,750, originally mentioned in records of 1615 as The Anchor Public House, and created as a smuggler's haunt, and a 130-year-old one at Tipree, for £12,500, Fife Tree Cottage, at Great Bromley, £13,500, and June Cottage, Wakes Colne, one of a pair of 16th century cottages, reduced from £21,000 to £18,500. The Old School House at Earls Colne with four bedrooms and three living rooms is £21,000, and the Old Bakery, at Steeple, £19,350.

Art market

Putting on the style

WHATEVER THE calibre of his painting, Tom Keating's prose style is skilfully insouciant. Mr. Keating is the painter whose works in the style of Samuel Palmer, the 19th century British artist, may have been sold in London as originals—a situation which has spread alarm and embarrassment in equal proportions, throughout the market.

The 13 works in question, one of which was bought from the Leger Galleries, in Bond Street, for £7,000, but has since been taken back, have been variously labelled "imitations", "forgeries" and "fakes".

But in his letter to The Times yesterday, in which he sought to clear up the mystery, Mr. Keating delicately referred to his work as "pastiche", adding that he could not be held responsible for all the pastiche that is around and that he could not imagine how anyone "could begin to believe that the crude dabs being marketed as Samuel Palmer's were authentic".

The whole affair is now to be investigated by the British Antique Dealers' Association. But it has brought to light the need to distinguish between what Mr. Keating calls pastiche and the flood of out-and-out fakes that do indeed sail in to and out of the market.

Mr. Keating says that his oils carry his own name or the



Mr. Hugh Leggett of the Leger Galleries studying a catalogue reproduction of a genuine Samuel Palmer painting which is in Ashmolean Museum, Oxford.

word "fake" or even a rude remark to ensure that they could not be mistaken. But there are plenty of real forgeries around. Mr. Martin Summers, managing director of art dealers Reid and Lefevre, said yesterday: "I get offered at least one fake Lowry a week. We were sole agents for L. S. Lowry from 1938, so we're meant to be the experts."

"Some of the forgers go to such lengths as to make a fake picture and then tear it in half. They bring the pieces to us and ask whether it would be worth restoring, and then ask would we care to buy it at cut-price. In Italy earlier this year, a fake Francis Bacon's 'Figs'—£3,400 was paid for a fake brass dial—and forged sea charts and atlases, which turned out to be Italian land by the score."

In the art market, as you can never be too careful, and then ask would

MICHAEL THOMSON

FT/Sotheby

A turn to better things

THE SUMMER of 1975 was not the best time to have been selling works of art. For the previous nine months or so, the art market, suffering from its usual delayed reaction to the world wide economic recession, and the depression in the world's stock markets, had slowly sunk to a low ebb. Prices dropped and so, remarkably, did the volume of trade, unusual in an area where sale-rooms, at least, can usually rely on a growth in volume at times of economic difficulty to compensate for falling prices. Recent economic studies, however, have shown that an inflation rate of more than about 15 per cent will obviate such a pattern.

The beginning of the 1975-76 season was also beset with difficulties. The two major London salerooms decided to introduce, as a matter of necessary economic policy, a 10 per cent buyer's premium, in line with long-established Continental auction practice. Nevertheless, there was a concomitant lowering of seller's commissions and in the season just gone, members of the art trade have been able to sell at Sotheby's and Christie's for about 40 per cent less than it had cost them in previous years.

However, the introduction of the premium caused a regrettable fall in the prices being charged by English dealers, and did not introduce a buyer's premium.

Also, in the first months of the season, sterling began to weaken seriously on the foreign exchange markets. At the time, this was considered an added blow to the chances of the art market, especially in this country, making a quick Crawford's Duclo Crucifixion, recovery. In retrospect, however, it played a considerable role in the recovery the art market has made in the last six months.

For the major buyers of works of art in this country, the Americans, the prices being charged by English dealers, and the sum being paid in the London and provincial auction houses, suddenly became very tempting; there can be little doubt that the increased volume of trade which has occurred in recent months, just the boost the art market needed, was partly caused by the effective devaluation of sterling.

At the same time, Sotheby Parke Bernet was willing to quote reserves in the vendor's own currency, and both Sotheby's and Christie's, in an added effort to protect the interests of foreign sellers, were prepared to buy currency forward on the day of sale.

As a result the vendor did not have to wait the full thirty day settlement period, £1,57m, and in July a medieval illuminated manuscript fetched £370,000.

Nevertheless, fiscal reasons were not the absolute causes of the art market's recovery. The major auction houses—Sotheby, Parke Bernet and Christie International—were both recipients in 1976 of an unusually large number of extremely important one-owner collections, added to which there were also several individual works of art of a type and quality rarely seen on the market. At a rough estimate, (Sotheby's £220,000), the

such outstanding collections Gathorne-Hardy Old and items accounted for between 15 per cent, and 20 per cent of the two companies' total turnover of £147m, a figure net of bought-in lots and of the 10 per cent premium payable on European purchases.

Of the collections, those of Geraldine Rockerfeller Dodge (Sotheby's Parke Bernet, approximately £5m), Van der Meer (Sotheby's Amsterdam, £23m), and French silver from a private Portuguese source (Christie's Geneva, approximately £2m), were the most notable. A small group of English and Old Master paintings from the Ellesmere Estate, fetched £1m. At Christie's, the same sum also being paid for a single painting, the Earl of Crawford's Duclo Crucifixion, at Christie's. The same auction house sold the cellar of a major French wine shipper for £900,000.

At Sotheby's, a small group of manuscripts from the Sassoon Library fetched £1m, in Zurich, and £500,000 was paid for a single rose-coloured

In other words, even if it had not been a sterling attract buyers to London 1976 was a season of the likelyhood of being so appeared in October of last year that it succeeded again in the history of the art market, has clearly indicated that great works will always find buyers at prices.

This, of course, bodes well for the future. The turn of the market's fortunes took people by surprise, but April of this year, Voltaire to increase and this lined with the extra series of sales mentioned, meant that the late spring summer proved among the remarkable periods in the art market for years. The major international auction groups, both unprecedented turnover the season, Sotheby Parke Bernet at £38m, and Christie's at £49.2m. In London, salerooms emphasise the only have buyers been at advantage of a weak dollar currency to boost the volume of trade here but, perhaps surprisingly, there has been shortage of foreign interest, despite the fact that the market, Sotheby's, for instance, recorded a 20 per cent of goods sent from abroad.

The FT/SOtheby review of the art market looks this month at the recovery in prices

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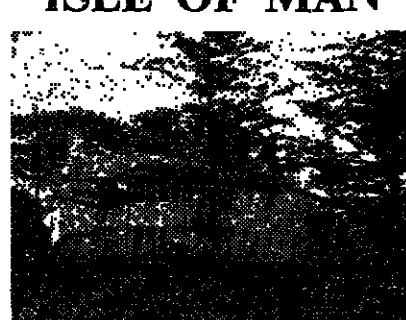
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room, study, kitchen and

utility room. Full separate

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Trains to London

Smaller tour operators find the bond system for protecting consumers burdensome. Arthur Sandles describes their major problems.

Tours can still come in little packages

SEVERAL WEEKS ago nearly 50 faces the chore of raising the cash to meet the needs of the tour operators, even if the profit record is good one.

The smaller companies—those of the Civil Aviation Authority, Small World and Page they considered to be and may among them—have practices by this, the pointed out that since the bond industry's controlling is based on predicted turnover, to their surprise there any company which plans to the resistance. Instead of expand is seriously hampered. A modest £200,000 rise in turn-over, perhaps only enough to take care of inflation, would require a further £20,000 in bond. Any independent operator who seeks to chase the big boys has a very expensive task on his hands.

The small operators argue that the level of the bond, and the expense of securing it, is now doing the very thing that it was designed to protect the consumer against—placing a financial strain on operators.

For the CAA this is just another problem in what is proving to be a very trying year. Its relationship with the Government has been brought into doubt as a result of court rulings on Laker Airways flights to the U.S. It has been struggling with tour operator exploitation of the rules on "cheap" flights, and it has been accused of being over-staffed and over-expensive.

Some of the difficulties have been brought about by the CAA's decision to be much less dogmatic about its policies than was the case in the past. Tour operators in particular who used to complain about there being too many rules and the CAA not having enough imagination, now complain that it does not give enough firm guidance.

A striking example of the trouble that the CAA and tour operators get themselves into has come this year with the under the label "Cheap," and "not-quite" packages providing



Leading members of the Association of Independent Tour Operators: left to right (standing) Mr. John Palmer, MV Holidays; and Mr. John Boyle, Chancery Travel; (seated) Mr. David Heard, Club 18-30 Holidays; Mr. Colin Morrison Small, chairman of AITO, Small World Travel; Miss Audrey Kennard, Rex and Kings; Mr. Sidney Silver, president of AITO, Silver Sawicki Travel Management; and Mr. John Kaye, Crawford Perry Travel.

return flights to holiday areas those of Spain, and a £60 base system, which has replaced affinity group charters as far as the U.K. is concerned, already works very well on the North Atlantic. However, there are problems so far as the more nearby destinations are concerned, problems which only go to illustrate how complex and riddled with politics the travel business really is.

The first problem is that the £50 and £60 break limits for the 30-day pre-booking rule is above the level of some off-season normal holidays offering accommodation, not in dormitories or caves, but in two-star hotels in the Costa Brava. It will be illegal to sell these holidays, or

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to make special offers on tours bookings, and therefore deposits, which are not selling well, after April of next year, unless the one-month rule is applied. No longer will customers be able to dash to the phone on Friday and leave on Saturday if they want a cheap holiday.

No doubt the tour operators will find a way round that one, as they have demonstrated their ability to do of late. However, one company, Thomson, which carries one in three of Britain's winter holidaymakers, pointed out last night that the £50 limit would affect 50,000 holidays. The position would be made much more serious if there were a sudden devaluation of the peseta, or an upward movement in sterling. Thousands of holidays which now cost more than £50 could be brought under the limit.

But perhaps more intriguing is the fact that tour operators may be asked to collect names to be reimbursed later by the and addresses. This opens up an old wound in tour operator/retail agency relationships.

Intercontinental is a very small operation, said to have only 200 people abroad at the moment and only 500 bookings in the immediate pipeline.

There is some fear that this will not be the only company to face difficulties this season. The market overall has fallen somewhat, and such business as there is has tended to concentrate itself in the hands of household names, or small operators with a devoted clientele.

The hope is that the Authority, the Government and ABTA now have the ends tied together in such a way that the customers themselves do not suffer over-much. What the smaller operators are worried about is that in their enthusiasm to make sure of this the CAA has placed such a burden on the late summer tour operators that it is increasingly difficult for them to stretch out financially. There are very few in the future.

LABOUR NEWS

Tunnel workers end dispute with union

ALAN PIKE, LABOUR STAFF

The tunnel-building programme throughout the country returned to normal on Monday after the strength of an agreement between the Transport and General Workers Union officials and the National Union of Tunnelling Engineers (NUTE) was accepted by the strike leaders.

Mr. Gordon Parker, then secretary of the magazine branch and now NUTE education and research officer, told the tribunal that Mr. McCalden's membership would have brought discredit on the union. The branch felt it was contrary to national policy and the spirit of the union's code of conduct that members should advocate racist policies.

He said the NUTE would have taken the same view of a Left-wing or immigrant journalist whose writing contradicted union policy.

National Front supporters were not singled out, Mr. Parker told the tribunal, although he did not know of applications from members of any other organisation whose aims conflicted with NUTE policy.

The hearing was adjourned until September 28.

National Front writer challenges union ban

DAVID MCCALDEN, 23, now a manager of the 4-Party and working as a unit assistant, is claiming to be wrongfully excluded from the NUTE, and in part the magazine branch. He applied for membership, but was "heavily rejected" by the International Union of Tunnelling Engineers (IUTE).

The magazine branch had told him, said Mr. McCalden, that he was not allowed to join because of his political views. He said he was not a racist, and that he was not a member of the National Front.

He said he was not a racist, and that he was not a member of the National Front.

Newspaper strike plan off

ALISTAIR EMPLOYED by Kettering, Northants, representatives of more than 70 journalists called off a strike for Monday evening. The strike was called off by the Kettering Echo, Wellingborough, and the Harborough Mail decided to end all sanctions and return to normal working.

Dispute settled after 19 weeks

THE STRIKE at a South much deeper implications. Complaints that a dispute panel ruling against it in the Tarmac Workers Union after 14 weeks was unfair, the TGWU is will be over on Monday, said yesterday. Agreement was reached with Tarmac to do with rivalry with the union, which is building Union of Construction, Allied Trades and Technicians.

Japan talks of taking import duty off cars

BY CHARLES SMITH

TOKYO, August 20.

JAPAN is considering abolishing its 6 per cent import duty on cars, the Ministry of International Trade and Industry said today. It is the abolition of the tariff might be reasonable in view of the huge surplus of car exports over imports.

The statement followed other recent indications that Japan is anxious to quieten foreign criticism of its car import policy.

The Ministry added that abolition of the duty might be proposed within the framework of the continuing multinational trade negotiations.

Such a proposal is likely to be received as a concession by the Ministry, which is seriously pursuing ways of opening up the car market to foreign exporters.

As a practical move, however, it would make little difference. Japan's car import tariff is low even by the standards of other developed countries and is certainly not the reason why foreign car manufacturers have failed to penetrate the market.

The main reasons are in the weak distribution networks of most importers and the difficulty and expense of adapting foreign cars to Japanese safety and emission standards.

Agreement expected this month on Bundesbank loan to Italy

BY ANTHONY ROBINSON

ROME, August 20.

AGREEMENT is expected at a technical level by the end of this month between the Bank of Italy and the Bundesbank. They are negotiating the details of a rollover operation for the \$2,000m. Gold-backed loan to Italy agreed in August 1974 at Bellagio.

A final decision will have to be taken at a political level and yesterday Signor Giulio Andreotti, the Prime Minister, met Signor Paolo Borsari, Governor of the Bank of Italy, for a review of the economic situation. In these talks, the Bundesbank negotiations are believed to have been discussed.

The continuing fall in the gold price constitutes the principal technical difficulty. The value of the gold collateral in the original agreement was calculated at 80 per cent of the average price of gold over the preceding three months. This worked out at around \$150 an ounce, but the average price over the past three months is nearer \$110 an ounce.

This means that the Bank of Italy will either have to earmark more of its gold or alternatively repay part of the original \$2,000m, while leaving the gold collateral earmarked for the Bundesbank unchanged.

Thanks to a series of favourable seasonal factors and the substantial capital inflow since the June elections, the Italian reserve position is now much healthier.

Negotiations are also expected to resume shortly with the IMF to borrow the \$550m, which is theoretically available under the terms of the Jamaica agreement.

These negotiations ended inconclusively in the spring following disagreement over the likely size of the public-sector deficit and lay dormant during the Government crisis and election period.

Under these circumstances, there is a possibility that the Italian authorities will opt to repay part of the original loan to the Bundesbank and roll over the remainder on the same six-monthly renewable basis as before.

In this case, the amount of gold pledged will remain the same although the total dollar amount of the loan to be covered by the gold collateral would be smaller.

Ex-director to pay £180,000 to two companies' liquidators

BY QUENTIN GUARDHAM

FOLLOWING A Department of Trade investigation which concluded that he was not a suitable person at the present time to act as a director of a company, Mr. Howard Ronson has undertaken to make an ex gratia payment of £180,000 to the liquidators of two of the companies investigated, Dwell Construction and Yorks and Lancs Construction.

A statement from Mr. Ronson yesterday said that he did not accept any of the "damaging allegations made by the DTI inspectors or those made by some of the witnesses." Nevertheless, I do regret my part in these events and wish to state it has always been my intention and that of my father to settle all just claims as was made quite clear in our evidence to the inspectors which was not reported by them.

Mr. Ronson's statement said his solicitors had written to the Official Receiver as liquidator of Dwell Construction offering payment of £90,000 and to solicitors acting for the Yorks and Lancs Construction liquidator offering £100,000.

Mr. Ronson states that it was not possible for either he or his father, Mr. Gerald Ronson, whom the inspectors also stated was an unsuitable person to act as a director, to settle claims until those in dispute had been assessed.

Following publication of the report last month—the inspectors having been appointed in 1968—Mr. Ronson offered his resignation to the Board of Chesterfield Properties (Europe), a property company half owned by Mr. Ronson and half by Chesterfield Properties, a quoted company.

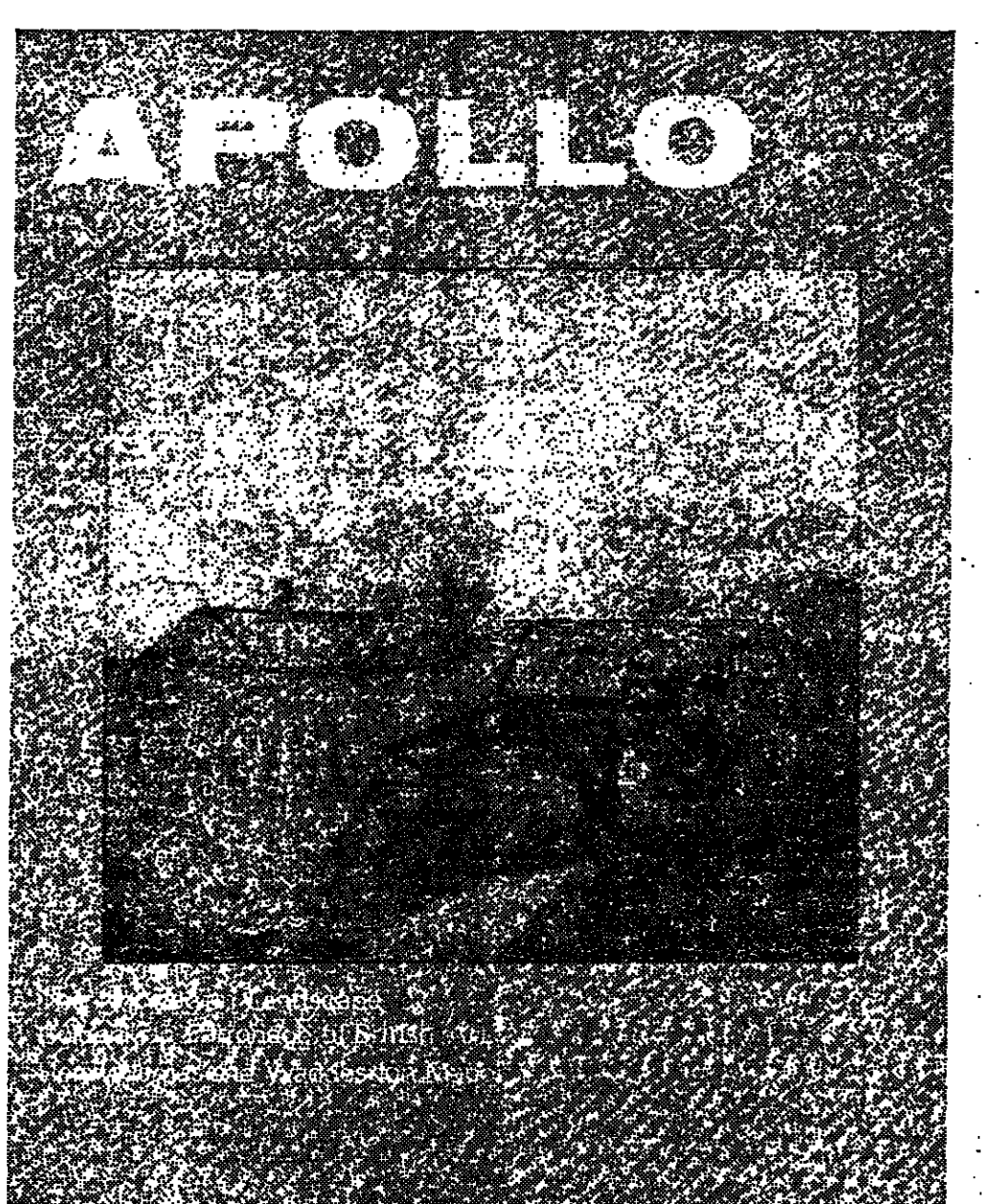
In offering to resign, Mr. Ronson stated that "I deeply regret any embarrassment I may have caused my colleagues who Heron group."

Economic Diary

SPECIAL Cabinet committee (mid-July). London dollar and sterling certificates of deposit (mid-July). New vehicle registrations (July). Energy Trends publication. Capital expenditure by manufacturing, distributive and service industries (second quarter—provisional). Manufacturers' and distributors' stocks (second quarter—provisional). British Airways annual report.

WEDNESDAY—Meeting of the general council of the Trades Union Congress.

THURSDAY—Department of Employment Gazette will include unemployment (July—final), employment in production industries (June).



AUGUST ISSUE

Articles include two very important pieces on the GULBENKIAN FOUNDATION. One dissertation deals with its magnificent collection of oriental and Egyptian art, and the other article discusses modern British Art linked with the foundation.

The British paintings of people in India by Renaldi, an artist living in India in the late 18th century; the houses of the Rothschild family, especially Waddesdon Manor, their contents and their influence on the writings of Henry James; early 18th century paintings of boxers in the ring; and aspects of art in Norway are other subjects covered in this summer issue.

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ON SALE NOW

Profiles

Mr. Benn and a future perfect

PETER HENNESSY, Lobby Correspondent

ABOUT PARTY is about to be extended to all and not just a major inquiry into the Government's political support.

In conversation earlier this month, Mr. Benn explained he was "not by nature a politician". The critical element in the Labour Party's future, he said, was the "executive home policy" which would be set by the party's executive committee, whose chairman is Mr. Benn. The party's future, he said, would be set by the party's executive committee, whose chairman is Mr. Benn. The party's future, he said, would be set by the party's executive committee, whose chairman is Mr. Benn.

The barrier

Cabinet ministers he sees as particularly afflicted by "the barrier of secrecy". He likens the barrier to a wall between the Government and the public. He says the barrier is a "secrecy surrounding the Government and the public and a barrier to the movement of the Labour Party".

Next year

"In practice, the next year or two have become the arena for the social contract," Mr. Benn continued. "But when you look beyond the next election, that belongs exclusively to the party because you cannot extend collective responsibility beyond the next Parliament. If you say that, you set a limit on the doctrine of collective responsibility. It begins with the present Government and ends at the finish of the present Parliament."

There are, too, occasional, agreed breaches of the doctrine like last year's referendum campaign and the Labour leadership contest this year when candidates were permitted to air their personal views. These Mr. Benn regards as significant and important.

It is tempting to be facetious and to suggest that now he has made his interpretation of collective responsibility clear, neither the press nor anybody else need lose any sleep over the next meeting of the NEC when documents from Mr. Benn's Home Policy Committee, diametrically opposed to Government policy, come up for discussion. But Mr. Benn takes these matters too seriously for facetiousness to be appropriate. Governments such as the present one, he argues, are naturally constrained by circumstances like its tiny Parliamentary majority and external economic factors. It is, therefore, proper and necessary for the party to look to the future. "The Labour Party is bound to move very strongly to the Left now," he adds.

Another phenomenon which inspires passion in Mr. Benn is patronage. In a word, he is agin it. He has already submitted a paper to Mr. Heffer's working party giving his views



Mr. Benn, sitting in his office in the Department of Energy overlooking the Thames by Millbank, with a banner of the National Union of Mineworkers on the wall behind him, wrote a series of figures on a white card to illustrate the point.

It reads:

1964-70 1974-76

100 Cabinet Ministers. 403 junior ministers. 243 peers.

24 chairmen of nationalised industries. 21 chairmen of Royal Commissions.

This, he explained, was the number of appointments made by Sir Harold Wilson during his two periods as Prime Minister. "791 absolutely major appointments either with a seat in the Government, a seat in Parliament or a crucial role in the formulation of policy. In not one of these appointments was there any formal advertising, interviewing or selection process. Nor were they accountable to anybody else. The level of patronage in all governments is a very formidable factor. It

When small is beautiful

BY JOHN WICKES, recently in Vaduz

ALL LIECHTENSTEIN was on the streets last week-end. School-children had covered the pavements of Vaduz with congratulatory slogans and the flags of all the countries of the world. Some years ago the prince vetoed a new hunting law after it had been approved in a referendum. More recently he told politicians that he would never agree to plans for what he considered an over-dimensional hospital and a four-lane motorway. And last week he said in a local newspaper interview, that he was not wholly taken by current subsidy policies.

At another level, the prince and his family are linked to Liechtenstein by personal investments in the national economy—one of the three banks, for

instance, is a family business, the wine from the vineyards, many of them in Austria, is widely sold in the country's inns and hotels. The Liechtensteins are still a wealthy family, despite the loss after the war of their large estates in Czechoslovakia.



Perhaps the longest ruling head of state in the world, Franz Josef of Liechtenstein is now 70

The relative importance of activities such as company registrations and stamps also seems to be waning in favour of the production of vacuum apparatus, patent wall fittings and false teeth. There are also signs of a certain move away from Switzerland, where many people tend to regard Liechtenstein as a kind of Eastern dependency. The Swiss post office, for example, while the Liechtensteins themselves have in recent years become increasingly interested in putting in personal appearances in international organisations and treaties.

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COMMODITIES/Review of the week

World sugar at 14-month low

SUGAR prices fell this week with nearby reaching their lowest level in year and the London price sinking to the lowest since June 1975.

It was encouraged by the O. Licht world sugar estimates, which put final stocks at 20,320,000 tonnes, 7,900,000 tonnes in 1974-5, a higher level of export than at the latest EEC. These factors more than offset reports that rain was ed harvesting in Italy, which had been broken by a

ward trend was aided by the announcement of bettered European sugar—particularly in West and France—and a

australian sugar crop. But a fall below the 1000 mark on the New York market, a psychological barrier on the downside, night's close December

the London terminal reached \$152.5 a ton, 320 on the week. The rally price ended on balance at \$139 a

ger ton in the coffee market reacted trimming \$1,560.5 at one time, seen as a reaction to the earlier

advance. Values also advanced with the December futures position ending \$135.25 up at \$127.75

prompted a sharp rise in a tonne. An early rise inspired by the week. Some local

ce said the lower main crop might be lower than

expected was trimmed in mid-week by selling based on chartist factors. But renewed concern over the Ghana and Brazil crops encouraged further rises towards the end of the week.

Tin prices moved erratically on the London Metal Exchange this week reflecting fluctuations in the Penang market. The Straits tin prices at one stage dipped to below \$M1,159 a piece, but rallied to \$M1,185-\$M1,500 on the week. London prices too ended the week higher with cash rising at \$4,377.5 a tonne, but not recouping earlier losses. The rally was attributed to the general belief that the market had been oversold on the way down, although there are still ample surplus supplies available.

Copper values also rallied at the end of the week, after previously losing ground. Cash wirebars closed last night at \$875 a tonne, \$125 up on a week ago. The market shrugged off forecasts of yet another rise in warehouse stocks in a general move to cover previous sales.

Zinc values were boosted by further U.S. producers putting up their domestic price to 40 cents a pound and triggering off rumours that this might mean a rise in the European producer quotation. The tension in Korea, one of the main sources of supply to the LME market, was also a firming influence. Cash zinc closed last night \$10.5 up at \$432 a tonne.

temperatures had led to crop damage, but official sources did not

firm this. But in any case the change in the weather served as a reminder that the traditional frost season was not yet over.

Reports that Colombia's coffee crop might be cut by 500,000 bags because of drought brought little reaction from London traders

though later news that the drought had been broken may have contributed to a decline in prices late in the week. How-

ever, the decline was generally seen as a reaction to the earlier advance.

Values also advanced with the December futures position ending \$135.25 up at \$127.75

prompted a sharp rise in a tonne. An early rise inspired by the week. Some local

ce said the lower main crop might be lower than

MARKET REPORTS

BASE METALS

COPPER—Moved erratically before closing barely changed on balance on the London Metal Exchange. Forward market spread wider at 1000 in the afternoon, reflecting the fact that the market was not expected to be as tight as it had been in the morning. The market was not expected to be as tight as it had been in the morning. The market was not expected to be as tight as it had been in the morning.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at \$875 a tonne, 100 up on the week.

TIN—Steadily changed on balance, after moving sharply up to \$4,377.5 in the morning, then falling to \$4,377.5 in the afternoon. The market was not expected to be as tight as it had been in the morning.

LEAD—Steadily higher, forward market spread wider at 1000 in the afternoon, reflecting the fact that the market was not expected to be as tight as it had been in the morning.

ZINC—Gained ground, forward market spread wider at 1000 in the afternoon, reflecting the fact that the market was not expected to be as tight as it had been in the morning.

COFFEE—Robusta closed steady. Trade sources said the market was not expected to be as tight as it had been in the morning.

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SILVER

Silver was 54.45p on once higher for spot delivery in the London bullion market yesterday at 54.45p. U.S. cent equivalents of the ounce were: spot 42.00p, six-month 40.00p, and 12-month 38.00p.

COCAOA—Following the establishment of fresh contract bids, pre-delivery and week-end liquidation moved values down in evening. The market was not expected to be as tight as it had been in the morning.

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SOYABEAN MEAL

Market opened firm on strong buying for soyabean meal. The market was not expected to be as tight as it had been in the morning.

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MEAT/VEGETABLES

CONVEY GARDEN prices in sterling—Imported veal, 1.50-1.55; lamb, 1.50-1.55; beef, 1.50-1.55; pork, 1.50-1.55; chicken, 1.50-1.55; turkey, 1.50-1.55; fish, 1.50-1.55; vegetables, 1.50-1.55.

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CONVEY GARDEN prices in sterling—Imported veal, 1.50-1.55; lamb, 1.50-1.55; beef, 1.50-1.55; pork, 1.50-1.55; chicken, 1.50-1.55; turkey, 1.50-1.55; fish, 1.50-1.55; vegetables, 1.50-1.55.

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CONVEY GARDEN prices in sterling—Imported veal, 1.50-1.55; lamb, 1.50-1.55; beef, 1.50-1.55; pork, 1.50-1.55; chicken, 1.50-1.55; turkey, 1.50-1.55; fish, 1.50-1.55; vegetables, 1.50-1.55.

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WHEAT FUTURES

LONDON—Wheat futures in more active trading, reports from the U.S. market, and a rise in the price of wheat in the U.S. market.

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U.S. Markets

Cocoa—NEW YORK, August 20. Cocoa futures prices were 1.145-1.150 for September, 1.150-1.155 for October, 1.155-1.160 for November, 1.160-1.165 for December, 1.165-1.170 for January, 1.170-1.175 for February, 1.175-1.180 for March, 1.180-1.185 for April, 1.185-1.190 for May, 1.190-1.195 for June, 1.195-1.200 for July, 1.200-1.205 for August, 1.205-1.210 for September, 1.210-1.215 for October, 1.215-1.220 for November, 1.220-1.225 for December, 1.225-1.230 for January, 1.230-1.235 for February, 1.235-1.240 for March, 1.240-1.245 for April, 1.245-1.250 for May, 1.250-1.255 for June, 1.255-1.260 for July, 1.260-1.265 for August, 1.265-1.270 for September, 1.270-1.275 for October, 1.275-1.280 for November, 1.280-1.285 for December, 1.285-1.290 for January, 1.290-1.295 for February, 1.295-1.300 for March, 1.300-1.305 for April, 1.305-1.310 for May, 1.310-1.315 for June, 1.315-1.320 for July, 1.320-1.325 for August, 1.325-1.330 for September, 1.330-1.335 for October, 1.335-1.340 for November, 1.340-1.345 for December, 1.345-1.350 for January, 1.350-1.355 for February, 1.355-1.360 for March, 1.360-1.365 for April, 1.365-1.370 for May, 1.370-1.375 for June, 1.375-1.380 for July, 1.380-1.385 for August, 1.385-1.390 for September, 1.390-1.395 for October, 1.395-1.400 for November, 1.400-1.405 for December, 1.405-1.410 for January, 1.410-1.415 for February, 1.415-1.420 for March, 1.420-1.425 for April, 1.425-1.430 for May, 1.430-1.435 for June, 1.435-1.440 for July, 1.440-1.445 for August, 1.445-1.450 for September, 1.450-1.455 for October, 1.455-1.460 for November, 1.460-1.465 for December, 1.465-1.470 for January, 1.470-1.475 for February, 1.475-1.480 for March, 1.480-1.485 for April, 1.485-1.490 for May, 1.490-1.495 for June, 1.495-1.500 for July, 1.500-1.505 for August, 1.505-1.510 for September, 1.510-1.5

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'N-O-P' and 'Q-R-S'.

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Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'A-Z' and 'Miscellaneous'.

Table titled 'BUILDING SOCIETY RATES' showing deposit and share rates for various building societies.

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes sections for 'A-Z' and 'Miscellaneous'.

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Table titled 'NEW HIGHS AND LOWS FOR 1976' showing stock price movements.

Table titled 'ACTIVE STOCKS' showing stock prices and changes.

Table titled 'OPTION DEALING DATES' showing dates for option trading.

Table titled 'LOCAL AUTHORITY BOND TABLE' showing bond details for various local authorities.

Stock markets becalmed at end of the Account Index loses 2.7 more to 370.8—Broking mergers

The big four Banks ended a
drab week—with prices easing 2
or 3 further on lack of support.
Australian issues fared much
better, with ANZ continuing
prominent at 884p, up 9, while
Commercial Bank of Australia,
295p, and National Bank of Aus-
tralia, 315p, rose 10 and 20
respectively.

Little interest was shown in the
Brewery leaders, which closed
with an easier bias. Allied
cheaperened 14 to 63p and similar
losses were seen in Bass
Charrington, 88p, and Arthur
Guinness, 125p. Elsewhere, Dis-
tillers gave up 14 to a 1976 low of
124p after the annual report, but

contrasted with a rise of 2 to 4¢ on the increased interim dividend and profits and increased earnings took Parker Timber up a penny to 84¢.

Pye Hldgs. weak

ICI lost 3 more at 34½¢. Also slipped 1 point to 19 on the disappointing second quarter figures, while Filsons, 33½¢, and Hickson and Welch, 32½¢, gave up 2 and 3 respectively. On a firm note, William Ransome, 85¢, and Williams Francis, 58¢, put on 3 apiece.

ENR's reassuring remarks on X-ray scanner sales failed to offset

profits and passed interim dividend, but Lec Refrigeration, still down on the increased interim profits, added another penny at 54¢. Brooks Group edged up 1¢.

After having fallen to 71¢ in front of the interim report, House of Fraser rallied in active trading to close only a penny below its 72¢ high of 7½¢ after the news. Other Store leaders were quiet and little moved. Secondary issues were featured by a rise of 14 to 13½¢ in Lee Cooper on small buying in a respite from the 12½¢ low it had contrasted with a fall of a penny to 27¢ on the best-first profits setback, while Maple Macwoods

fresh advance of 35¢ at \$100, up 80 on the week, on the agreement to merge the company's North West Shelf interests with those of Shell Australia. U.K. miscellaneous industrial leaders were quietly dull again. Unilever added 4 more to 414p to make a three-day rise of 12 on the disappointing second-quarter results. Beecham lost 5 to 350p. Epsom, where, Dufay Bitumastic sustained a fall of 6 to 40p, upset by the first-half profits setback and the Board's declaration that no new bid approach has been received since the breakdown of merger talks on July 8. Lower interim profits left Johnson

Australian 50c shares as from yesterday, in their new form, the shares moved ahead 10p to a peak for the year of 105p, reflecting the strength of the investment premium. Since Darby, also of premium influences, were 4p higher at 121p, but Overseas Trusts were otherwise easier. There changed, S. Hofmann relinquished to 104p, while Macphie declined 5 more, to 85p.

News that Reardon Smith found work for its 17m. drilling rig Atlantic 1 with Panocoar sparked off a fair amount of speculative activity in the former's shares, the Ordine 10p, proving steadily to close 10p up.

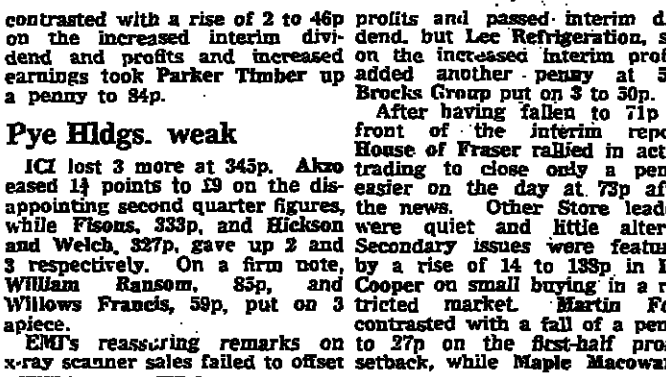
Unhappy Golds

South African Gold shares ended a miserable week with modest losses on the day which covered the Gold Mines index 1.6 to 90.5. Earlier in the week it had been down to 83.9, the lowest since November, 1972, in the wake of the news of the bulk of the price which fell to just under \$107 per ounce at one time. Bullion was finally 50 cents lower at \$198.375 per ounce, a week's loss of \$4.50.

The marginal Durban De-

BASE LENDING RATES

Allied Irish Banks Ltd.
American Express Bank
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.



These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS		Friday, August 20, 1976										Highs and Lows Index				
GROUPS & SUB-SECTIONS		Index No.	Day's Change %	Est. Strikings Yield % (Max. Corp. Tax 55%)	Gross Div. Rate (A.C.T. at 25%)	Est. P/E Ratio (incl. Corp. Tax 55%)	Est. P/B Ratio (incl. Corp. Tax 55%)	Index No.	Index No.	Index No.	Index No.	Index No.	1976 Since Completion			
Figures in parentheses show number of stocks per section.													High	Low	High	Low
1	CAPITAL GOODS (179)	139.50	-0.6	17.82	8.57	8.44	8.36	140.33	140.89	141.05	140.96	113.03	160.06	137.08	206.37	50.10
2	Building Materials (30)	126.85	-0.6	16.03	7.53	9.44	9.44	127.06	127.75	127.67	126.92	100.61	150.18	119.57	177.08	49.10
3	Contracting, Construction (23)	186.03	-1.1	22.02	5.95	7.00	7.00	186.04	186.02	186.46	186.66	186.76	186.03	186.03	186.03	186.03
4	Electricals (16)	353.06	-0.5	17.49	6.32	8.54	8.31	354.36	355.94	356.01	357.20	314.07	387.30	377.28	450.04	86.50
5	Engineering (Heavy) (13)	162.23	-1.5	24.90	7.58	6.35	6.26	164.20	165.46	165.68	165.75	151.39	183.18	161.86	202.57	50.10
6	Engineering (General) (64)	130.39	-0.5	18.09	6.93	8.22	8.22	130.98	131.29	131.58	131.70	96.45	150.28	132.46	168.69	49.10
7	Machine and Other Tools (9)	56.77	-0.5	17.04	7.80	8.79	8.77	56.95	57.38	57.47	57.47	34.86	60.62	51.19	135.70	19.10
8	Miscellaneous (24)	125.31	-0.8	15.17	7.05	9.94	9.55	126.38	126.67	126.78	126.65	94.97	146.81	121.53	147.68	49.10
9	CONSUMER GOODS (DURABLE) (53)	140.01	-0.7	18.49	5.73	8.11	8.09	120.91	121.86	121.68	121.76	85.65	141.46	116.86	237.78	50.10
10	L. Electronics, Radio TV (15)	129.96	-1.1	17.82	4.44	8.39	8.38	131.88	132.17	131.77	131.85	101.30	160.33	132.78	167.41	49.10
11	Household Goods (13)	152.00	-0.7	19.08	7.86	7.89	7.95	153.06	154.46	153.90	154.33	123.10	177.32	152.00	265.23	67.50
12	Motors and Distributors (25)	77.70	-0.3	19.53	6.85	7.78	7.75	77.91	78.70	78.71	78.80	44.75	85.15	70.05	200.39	49.10
13	CONSUMER GOODS (NON-DURABLE) (168)	139.93	-0.4	15.68	6.83	9.65	9.55	140.47	142.14	142.78	142.94	177.96	169.94	138.95	256.09	61.40
14	Beveries (15)	165.99	-0.4	15.15	7.50	9.89	9.89	166.69	159.97	161.48	162.89	146.87	179.48	147.99	251.87	69.10
15	Wines and Spirits (7)	154.15	-1.0	15.63	7.08	10.06	10.06	156.74	158.56	158.56	160.87	135.12	190.67	154.15	257.40	72.70
16	Entertainment, Catering (14)	166.88	-1.0	14.67	7.98	10.52	10.45	168.64	173.49	174.09	174.04	145.84	184.18	167.08	211.65	69.10
17	Food Manufacturing (22)	163.88	-0.4	17.23	5.74	8.85	8.77	154.54	158.44	158.04	158.38	139.98	179.44	155.38	211.65	69.10
18	Food Retailing (16)	130.82	-0.7	15.51	5.97	10.82	10.82	131.70	132.25	131.98	131.55	126.80	145.15	130.82	211.65	69.10
19	Newspapers, Publishing (18)	177.19	-1.5	13.89	5.87	11.07	11.07	179.90	180.05	180.77	181.00	127.12	184.18	167.01	211.65	69.10
20	Packaging and Paper (12)	95.80	-0.7	16.96	7.91	9.07	9.07	86.49	98.10	98.40	98.33	66.54	115.50	94.92	135.69	40.40
21	Stores (24)	115.36	-	13.59	6.06	11.57	11.55	115.32	116.46	116.62	117.25	111.41	126.20	104.47	135.69	40.40
22	Textiles (23)	137.76	-1.1	13.54	8.34	11.33	10.01	139.90	140.97	141.68	142.28	132.01	183.18	137.76	255.73	66.50
23	Tobacco (3)	210.97	+0.2	20.77	8.18	7.16	7.16	210.99	212.94	213.45	213.48	178.87	241.59	207.38	339.16	93.60
24	Toys and Games (6)	75.09	-0.1	20.08	7.97	6.67	6.64	75.15	75.04	75.04	74.86	42.80	80.95	74.86	135.69	40.40
OTHER GROUPS (96)																
25	Chemicals (26)	203.26	-0.5	12.65	5.60	11.03	11.03	204.36	205.63	206.30	206.66	163.65	251.30	197.48	231.38	71.20
26	Office Equipment (9)	86.37	-0.8	15.38	6.10	10.56	10.56	86.04	86.28	86.23	86.56	73.04	94.92	86.04	135.69	40.40
27	Shipping (12)	376.20	-0.1	13.24	6.94	10.97	9.96	376.78	380.00	380.34	378.79	315.55	435.94	355.55	517.00	90.80
28	Miscellaneous (49)	147.18	-0.9	14.98	7.80	9.96	9.96	148.48	149.83	149.58	148.94	128.65	179.90	145.06	228.83	50.10

29	INDUSTRIAL GROUP (496)	145.02	-0.5	15.74	6.58	9.47	9.89	146.78	146.98	147.36	147.40	124.01	168.28	145.68	220.17	69.01
													(20/1)	(20/1)	(16/75)	(12/82)
30	OILS (4)	344.34	-0.7	12.43	4.76	9.30	8.61	346.94	350.08	350.67	351.50	293.45	386.94	351.34	451.86	87.23
													(20/1)	(15/75)	(20/78)	(12/82)
31	500 SHARE INDEX	161.44	-0.6	15.22	6.89	9.44	9.26	162.34	163.70	164.10	164.20	133.01	183.00	161.07	227.85	65.44
													(20/1)	(20/1)	(16/75)	(12/82)
32	FINANCIAL GROUP (100)	123.71	-0.6	—	6.82	—	—	124.49	125.46	125.88	125.43	123.09	153.45	112.59	241.41	55.35
													(20/1)	(11/74)	(20/78)	(12/82)
33	Banks (6) ...	144.60	-0.8	23.26	6.35	6.61	—	146.73	146.08	146.47	146.44	124.89	129.16	140.00	288.38	62.44
													(20/1)	(20/1)	(20/78)	(12/82)
34	Discount Houses (10)...	148.54	—	—	9.31	—	—	148.54	148.54	148.53	148.53	146.95	168.59	142.00	252.13	51.66
													(20/1)	(20/1)	(20/78)	(12/82)
35	Hire Purchase (5) ...	90.86	-1.8	—	7.15	—	—	92.56	95.92	94.29	92.56	90.87	123.10	90.87	145.78	44.83
													(20/1)	(20/1)	(20/78)	(12/82)
36	Insurance (Life) (9) ...	100.16	-0.6	—	7.15	—	—	100.64	102.20	103.08	102.79	105.43	120.46	95.91	194.45	44.83
													(20/1)	(20/1)	(20/78)	(12/82)
37	Insurance (Composite) (7)	100.59	-0.1	—	7.10	—	—	100.46	101.74	102.51	101.47	102.89	118.75	95.91	152.76	44.83
													(20/1)	(20/1)	(20/78)	(12/82)
38	Insurance Brokers (9)	232.44	-0.3	10.54	5.01	14.02	14.02	233.15	234.17	233.31	231.36	182.88	270.90	151.61	276.00	51.61
													(11/6)	(11/6)	(20/78)	(12/82)
39	Merchant Banks (18) ...	68.09	-0.4	—	8.21	—	—	68.57	68.34	68.59	68.70	79.99	93.83	68.09	272.57	51.61
													(20/1)	(20/1)	(20/78)	(12/82)
40	Property (32) ...	154.90	-1.5	3.75	3.32	49.81	47.52	167.40	168.37	168.34	169.19	153.39	224.71	144.37	257.40	61.00
													(20/1)	(20/1)	(11/72)	(12/82)
41	Miscellaneous (6) ...	71.68	-0.8	17.83	8.59	8.67	8.67	72.01	72.52	72.55	71.94	62.10	101.84	62.10	172.52	44.83
													(20/1)	(20/1)	(12/72)	(12/82)
42	Investment Trusts (50)	143.44	-0.3	3.70	8.27	27.25	27.25	143.84	143.80	143.24	142.90	145.06	184.59	141.96	245.79	71.61
													(20/1)	(20/1)	(20/72)	(12/82)
43	ALL-SHARE INDEX (650)	151.44	-0.6	—	6.25	—	—	152.29	153.48	153.83	153.75	134.57	175.64	150.42	228.18	61.94
													(20/1)	(20/1)	(15/72)	(12/82)
COMMODITY GROUPS (Not included in 500 or All-Share indices)																
44	Rubbers (9) ...	467.51	-1.1	9.95	5.99	14.71	13.46	472.84	474.72	472.84	474.72	406.00	535.40	464.87	555.37	84.56
													(20/1)	(20/1)	(20/72)	(12/82)
45	Teas (8) ...	138.65	-0.1	29.21	9.17	4.35	4.42	138.81	139.67	139.25	139.36	100.21	142.43	117.98	142.43	59.75
													(7/1)	(7/1)	(8/75)	(12/82)
46	Coppers (3) ...	180.43	—	54.77	9.52	1.83	1.83	180.43	180.75	178.35	185.58	177.01	201.87	171.54	267.00	64.56
													(7/1)	(7/1)	(11/75)	(20/78)
47	Mining Finance (11) ...	88.01	-1.7	11.86	5.69	9.80	9.43	86.55	96.07	87.94	88.96	120.08	119.77	85.07	175.90	66.55
													(7/1)	(13/8)	(20/48)	(12/82)
48	Tins (9) ...	109.11	—	14.69	9.20	10.46	10.41	109.11	106.11	106.58	112.78	85.46	125.34	109.11	154.40	54.56
													(7/1)	(12/72)	(12/72)	(12/82)
49	Overseas Traders (13)...	210.17	-1.1	16.62	4.92	8.05	8.05	212.58	213.82	213.47	214.14	202.47	254.47	208.94	254.47	97.31
													(20/1)	(20/1)	(20/72)	(12/82)

FIXED INTEREST			Friday, August 20	Thurs. August 19	Wed. August 18	Tuesday August 17	Monday August 16	Friday August 15	Thursday August 14	Wed. August 11	Year ago (approx.)	1976				1975	
			Index No.	Yield %								High	Low	High	Low	High	Low
1	Consols 2½% yield	...	—	14.04	14.05	14.08	14.02	14.02	14.10	14.08	14.14	—	—	—	—	—	—
2	20-yr. Govt. Stocks (8)...	...	48.41	13.63	48.47	48.41	48.02	48.58	48.30	48.35	48.70	50.09	50.49	47.56	51.52	50.33	50.33
3	20-yr Red. Deb. & Loans (15)	...	50.28	14.67	50.39	50.26	50.16	50.16	50.16	50.19	50.19	47.98	50.01	47.56	51.52	50.33	50.33
4	Investment Trust Prefs. (15)	...	48.09	14.11	48.08	49.00	48.78	48.78	48.78	48.78	48.84	49.81	51.23	48.48	51.41	49.48	49.48
5	Coml. and Indl. Prefs. (20)	...	69.56	13.51	69.37	69.26	68.11	69.01	68.77	68.39	68.59	65.64	68.02	65.64	68.02	61.07	61.07
Section or Group			Rate Date	Rate Value	Section or Group	Rate Date	Rate Value	The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
Overseas Traders			31/12/74	180.00	Insurance Brokers	26/12/67	96.67	The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
Engineering (Heavy)			31/12/71	151.84	Mining Finance	31/12/71	151.84	The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
Engineering (General)			31/12/71	151.84	All Other	30/12/62	108.58	The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
Wines and Spirits			31/12/70	146.16	1 Redemption yield. FT-Ascertain indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.			The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
Toys and Games			31/12/70	161.70	FT-Ascertain indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.			The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
Equip. Equipment			31/12/70	162.74	FT-Ascertain indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.			The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
Industrial Group			31/12/70	158.20	FT-Ascertain indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.			The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
Investment Financial			31/12/70	151.78	FT-Ascertain indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.			The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
Food Manufacturers			29/12/67	124.13	FT-Ascertain indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.			The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
Food Retailing			29/12/67	124.13	FT-Ascertain indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.			The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.									
A list of the constituents of the FT-Ascertain Share Indices is now available from the Publishers.												The Financial Times, Bracken House, Cannon Street, London, EC4P 6BY, price £5, by post 5.25p.					

Burnah steadier

Thomson Organisation were subjected to end-Account profit-taking and fell 6 to 288p in generally dull Newspapers. Liverpool Post rose 4 to 490p, Fleet Street like another to 246p. Many Paper Printings also moved lower. Asat and Wiborg again showing dissatisfaction with the dividend paid at 20p.

Burnah traded freely again despite the U.S. probe into the

Bank of England Minimum Lending Rate 11 per cent. were met as to about 83 per cent. The 5500m. tendered and allotted

The Treasury bill rate fell by 0.0097 per cent to 10.9672 per cent at yesterday's tender, and the Bank of England Minimum Lending Rate was unchanged at 11½ per cent. The minimum accepted bid was £97.29 against £97.28; the previous week, and bids at that level

Avg. 20 BPs	Short-Term Certificate or deposit	Interbank	Local Authority deposit ¹	Local Auth. negotiable bonds	Municipal bonds	Company deposits
Overnight...		10 1/4-1 1/8				10 1/8-10 5/8
1 days notice...			10 1/4-10 5/8			
7 days notice...		10 1/4-10 5/8	10 1/4-10 5/8		10 1/4-11	
Two months...	10 1/4-10 5/8	10 1/4-10 5/8	10 1/4-10 5/8	11 1/4-10 7/8	10 7/8-11 1/8	
Three months...	11 1/8-1 1/8	11 1/8-1 1/8	11 1/8-1 1/8	11 1/4-10 7/8	11 1/8-11 3/8	
Six months...	11 1/8-1 1/8	11 1/8-1 1/8	11 1/8-1 1/8	11 1/4-10 7/8	11 1/8-11 3/8	
One year...	11 1/8-1 1/8	11 1/8-1 1/8	11 1/8-1 1/8	11 1/4-10 7/8	11 1/8-11 3/8	
Two years...	11 1/8-1 1/8	11 1/8-1 1/8	11 1/8-1 1/8	11 1/4-10 7/8	11 1/8-11 3/8	

The foreign exchange market towards the close, and finished ended the week on a quiet note unchanged at \$1.7810-1.7820. The

With an easing of tension reported in most financial centres. With less of the nervous conditions that have prevailed throughout the west, the Belgian franc has advanced 1.5 per cent, to a position above its floor level against the West German mark. The "European" "snake." Once again, the dollar has gained ground and the franc closed at B.Fr.38.96 from B.Fr.38.85 on the previous day. The dollar's trade weighted average depreciation of the pound as calculated by the *Financial Times*, narrowed slightly to 39.1 per cent from the previous 39.2 per cent. The depreciations at noon also showed the dollar's position as better than the morning calculation of 39.2 per cent. The U.S. dollar was generally stronger, however, in its dealings with a Morgan Guaranty basis with noon rates, narrowing to 2.04 per

Thursday, against the dollar. Gold fell from \$224 per cent. to \$222 1/2 per cent. Gold fell an amount to \$1084.10 in much weaker and steadier trading than as of late. The dollar. The pound opened at \$1111-113 (552-531) for domestic and international delivery. Its premium over the gold content widened to 1 1/2 per cent. over the previous common close of 3 1/2 per cent.

EXCHANGE CROSS-RATES

Aug. 30	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt		2.22 5215	50.45	48.47	4.40-40	93.52-57	101.72-76
New York	35.67-68		20.04-07	2.567-65	7.48-49	57.34-37	40.25-27
Paris	16.90-91	4.989-93		18.320-83	9.33-03	185.3-30	201.50-50
Brussels	12.82-84	1.624-24	7.79-81		19.54-57	14.48-52	15.71-76
London	1.02-03	1.791-93	1.98-99	69.25-26		4.50-50	4.50-51
Amsterdam	105.54-55	2.9797-97	53.75-76	6.291-91	4.7815-16		100.47-47
Zurich	98.10-35	2.9797-97	93.64-64	6.015-15	4.7005-05	96.15-28	

EURO-CURRENCY INTEREST RATES*

Aug. 20 1976	Structure	U.S. dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
12-month term...	101%-102	5-8 1/4	8 1/2-10 1/2	15-20	24-26	4-4 1/2
3 days notice	111%-12	8 1/4-8 1/2	5-10	10-23	21-24	4-4 1/2
12-month	112%-12	8 1/2-8 3/4	5-10	11-24	21-24	4-4 1/2
Three months	127%-130	8 3/4-9 1/2	8 1/2-9 1/2	10 1/2-10 1/2	24-24	4 1/2-4 1/2
Six months	134%-135	8-8 1/4	8 1/2-9 1/2	11-12	24-24	4 1/2-4 1/2
Five year	156%-164	8 1/2-8 3/4	9 1/2-10	9 1/2-10 1/2	24-24	4 1/2-4 1/2

Euro-French spread rates: two-day 18-20 cent; seven-day 20-22 cent; 15-day 22-24 cent; one-month 24-26 cent; three-month 26-28 cent; six-month 28-30 cent; one-year 31-33 cent.
 Longer-term Euro-dollar deposits: two years 7-8 cent; three years 8-9 cent; four years 9-10 cent; five years 10-11 cent.
 The following seasonal rates were quoted for London dollar certificates on deposit: one-month 3-3 1/2 cent; three-month 3-4 cent; six-month 3-4 1/2 cent; one-year 3-5 cent.
 * Rates are nominal clearing rates.
 † Short-term rates are bid and offering U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

FINANCIAL TIMES STOCK INDICES

	Aug. 30	Aug. 18	Aug. 15	Aug. 17	Aug. 16	Aug. 14-15 1974
Government Secs.	62.14	62.10	62.94	62.55	62.20	61.50
Fixed Interest	61.97	61.94	61.94	61.82	61.83	61.68
Industrial Ordinary	370.8	370.5	376.5	376.4	377.2	374.4
Gold Mines	30.5	31.1	30.5	30.2	30.5	30.0
Ord. Div. Yield	5.01	5.07	5.01	5.00	5.00	5.00
Earnings T/G (all ind.)	17.45	17.34	17.19	17.17	17.11	17.22
P/E Ratio (ind. & G.)	3.48	3.54	3.61	3.63	3.60	3.59
Dealings market	4,397	4,578	4,837	4,534	4,501	4,736
Equity turnover £m.		39.48	39.00	39.26	38.25	31.73
Equity turnover total		0.770	0.801	0.783	0.837	0.908

10 a.m. 371.5 11 a.m. 371.5 Noon 372.7 1 p.m. 371.7
2 p.m. 372.5 3 p.m. 373.4
Latest return 07.34.30

Based on 12 per cent. corporation tax. (a) Nov. 1973. (b) Nov. 1974.
Basis 100 Govt. Secs. 150/100 Ind. Ord. Div. Yield. 100/100 P/E Ratio. 100/100 Dealings. 100/100 Equity turnover.

	HIGHS AND LOWS				S.E. ACTIVITY	
	JUNE		March Compilation		Avg. '80	As of
	High	Low	High	Low		
Govt. Secs.	58.51 (20)	60.19 (21)	187.4 (21/28)	48.18 (21/28)	Daily- (Ht.-Bdged)	173.6 126
Foreign Inv.	64.45 (21)	58.76 (21)	150.4 (21/187)	80.63 (21/76)	Interest	135.5 126
Ind. Ord.	420.8 (42)	364.7 (42)	543.6 (42)	42.3 (42)	Speculativ.	43.9 6
Gold Stocks	94.8 (21)	94.8 (18)	44.2 (22/76)	48.5 (21/107)	Fin.-Bdged	189.3 126
					Industrial	131.5 126
					Speculativ.	97.8 126
					Totals	100.5 26

the 1976 low of 115p in Textiles. Western Jersey shed 3 to 16p as did Slalom Industries, to 77p, while Mackinnon of Scotland were a penny higher.

RATs Deferred: The week's most active stock, touched 215p before closing 2 down on the day at 218p. Ordinary were unchanged at 265p.

South African Industrials had GreaterAmerica "A" 5 better at 65p and O.S. Bickers 10 higher at 390p.

Their undecided trend in night markets Down: Underday's Federal Budget, while it did not mention a cut in the reduction in the coal export was followed by a sharp rise in mining share prices.

Gold: The price of gold, rising trails rose 20 to 430p, a gain of 40p, while Australian tin and Smelting put on 10p to rise to 100p in the period. Charterhall 2 1/2 which on Thursday amount one-for-four rights issue was maintained. Gold

South African Gold shares

BASE LENDING RATES			
<p>Allied Irish Banks Ltd. American Express Bank Anglo-Portuguese Bank Henry Ansbacher Banco de Bilbao Banco de Jerez Bank of Cyprus Bank of N.W. Banque du Rhone S.A. Barclays Bank Barnett Christie Ltd. Brennar Holdings Ltd. Brit. Bank of Mid. East Brown Shipley Canada Permanent AFI Capital C & C Fin. Ltd. Cayzer, Bowater Co. Ltd. Cedar Holdings Charterhouse Japhet C. S. & Sons Consolidated Credits Co-operative Bank Corinthian Securities Credit Lyonnais G. R. Dawes Duncan Lawrie English Transcont. First London Secs. Guyton Gibbs Guthrie Trust Co. Greynould Guaranty Grindlays Bank Guinness Mahon Hambros Bank Hill Samuel C. Hoare & Co. Julian S. Hodge Hongkong & Shanghai Industrial Bank of Scot. Keyser Ullmann Knowlesley & Co. Ltd. Lloyds Bank P. S. Nelsons London Mercantile Midland Bank Samuel Montagu Morgan Grenfell National Westminster Northern Comm. Trust Norwich General Trust Portman Guaranty P. S. Nelson & Co. Rosenminster Acceptors Schlesinger Limited S. S. & Sons Security Trust Co. Ltd. Shenley Trust Standard Chartered Trade Development Bk. Twentieth Century Bk. United Bank of Kuwait Whiteaway Laidlaw Williams & Glyn's Yorkshire Bank</p>			
Discounts on deposits	Treasury bills 90	Bank Bills 90	Foreign Trade Bills 90
10% 11	10% 11	10% 11	11% 12
10% 10% 10% 10%	10% 10% 10% 10%	10% 10% 10% 10%	11% 11% 11% 11%
10% 10% 10% 10%	10% 10% 10% 10%	10% 10% 10% 10%	11% 11% 11% 11%
10% 10% 10% 10%	10% 10% 10% 10%	10% 10% 10% 10%	11% 11% 11% 11%

■ Members of the Accepting Committee.

- * Long-term local authority mortgage rates 112-114 per cent. † Bank bill rates 101½ per cent.; four-month trade bills 101½ per cent.; two-month 102½-103½ per cent.; and bank bills 101-101½ per cent.; two months 110-112 per cent.; two-month 112-114 per
- * 7-day deposits 6½%, 1-month 6½%.
- † 7-day deposits on sums of £10,000 under 6½%, up to £25,000 7½% over £25,000 7½%.
- ‡ Demand deposits 5%.
- § Call deposits over £1,000 5½%.

per cent. from August 1, 1978. Clearing
Bank Rate for lending 10½ per cent. Treasury

FOREIGN EXCHANGES				Close 368-373	
Market Rates				L.G. INDEX 61-351 3/4	
Aug. 30 1976	Bank Rates	Day's Spread	Close	NOVEMBER - SILVER	
	%			249.80	

New York	81 $\frac{1}{2}$	1.7810-1.7835	1.7810-1.7825
Montreal	81 $\frac{1}{2}$	1.7638-1.7615	1.7680-1.7585

INSURANCE BA

Amsterdam	8 1/2	4.75-4.80	4.75-4.78
Bremen	8	88.03-88.54	88.25-88.45
Copenhagen	8 1/2	10.77-10.90	10.73-10.90
Frankfurt	8 1/2	4.44-4.50	4.44-4.48
London	8 1/2	98.25-98.75	98.25-98.50
Madrid	8 1/2	11.21-11.70	11.25-11.55
Munich	8 1/2	4.49-4.56	4.49-4.55
Paris	8 1/2	5.27-5.30	5.27-5.30
Oslo	8 1/2	8.87-8.88	8.87-8.88

Stockholm	8	7.87-7.88	7.812-7.822
Tokyo	512	512-520	5144-5164
Vladivostok	4	51.70-54.05	51.8-52.00

Zurich	2	4.39 1/2	4.40 1/2
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* Basic discount. † Rates given are for convertible franc. Financial franc 72.18-72.20.

OTHER MARKETS

Arden Rates

	Aug. 20	Aug.
Sold Bullion		
fine coupon		
Closed	\$108 1/2	\$109 1/2

◆ Argentina	248.51-249.71	Argentina	4.6-5.50	Opening	...	\$108.5-109.1	\$109.1
◆ Australia	1.4-1.8	◆ Austria	4.6-5.50	Morning	Brk	\$109.00	\$109.1
◆ Brazil	10.72-10.82	◆ Canada	51.1-52.1			\$10.1-11.0	\$11.2

Brazil	8-14 1-8-4	Belgium	1-1-25			
Canada	1-1-1-4	Bolivia	1-1-25	Afternoon tea	109.00	1109.4
France	1-1-1-4	Brazil	1-1-25		1261.147	1261.4
Germany	1-1-1-4	Canada	1-1-1-4			
Great Britain	1-1-1-4	Denmark	1-1-1-4	Gold Coins		
Hong Kong	1-1-1-4	France	1-1-1-4	Commodity	1111.4	1112-1
India	1-1-1-4	Germany	1-1-1-4	Investment	1111.4	1112-1
Japan	1-1-1-4	Italy	1-1-1-4		1111.4	1112-1
South Africa	1-1-1-4	Netherlands	1-1-1-4		1111.4	1112-1
Spain	1-1-1-4	Sweden	1-1-1-4		1111.4	1112-1
Switzerland	1-1-1-4	United States	1-1-1-4		1111.4	1112-1
Taiwan	1-1-1-4					
Thailand	1-1-1-4					
U.S.A.	1-1-1-4					
West Germany	1-1-1-4					
Yugoslavia	1-1-1-4					

6.25-8.25	Western	4.75-4.85	Old Sovereigns	8374-394	8374-4
4.85-4.875	Norway	8.75-9.00		(221-22)	(2214-

S. Africa	1418-1433	Portugal	1154	Joint Colomes	
U.S.		Spain	1174-1211	(Internatsyonal)	
Canada		Switzerland	1235-1258		
China		U.S.	178-201		
U.S. Comm.	101.25-101.26	Turkey	1454-1471		

* Bank discount, 1/4 given rates are for dealers.
 * Rates shown in Official Rate

VCRA DEF. ADJ. RATE	\$20 Basis.....	\$18.8191	\$186.4
	\$10 Basis.....	\$99.102	\$97.10
	45 Basis.....	\$80.72	\$87.70

FORWARD RATES		SPECIAL DRAWING RIGHTS RATES	
100 swiss	Three months	One SDR is equal to	Aug. 20
New York 100-100 1/2	670-3/8 a. pin	one	Aug. 20
Montreal 152-0.42 p	1.63 1/8 a. pin	one	Aug. 20
Amst. 100-100 1/2	1 1/2 2 1/2 a. pin	one	Aug. 20
London 88-105 a. dm	76 1/2 a. pin	one	Aug. 20

Cop. mfg. 7.9 mte. dls	84-78 1/2 mte. dls	U.S. dollar....	1.14923	1.1505
Frankfurt 54g-26g pt. par	1 1/2 1/2 pt. par	Belgian franc..	44.2504	44.715

Madrid	575.476 dpa	430.09 dpa	Deutsche bank	2.804.445	
Milano	14.18 dpa	68.42 dpa	French bank	7.735.11	2.731.11
Osaka	1.000.000 dpa	52.44 dpa	Japanese bank	962.818	962.818
Paris	2.1 dpa	5.48 dpa	Japanese bank	535.030	332.58
Rome	57.47 dpa	2 dpa	Dutch bank	6.044.85	5.034.7
Vienna	57.47 dpa	76.50 dpa	Swedish bank	3.044.785	3.044.7
Zurich	56.549 dpa	154.75 dpa	Swiss bank	2.844.72	2.844.7

Values are for currency bank.

MAN OF THE WEEK

Squeezed in the middle

BY GILES MERRITT

"BRIAN FAULKNER'S gift is his ability to sit on the fence while keeping his ear to the ground."

The remark, half-admiring, half-chiding, was made by a fellow Minister in Captain Terence O'Neill's Government. At that time, in the Ulster Unionists' halcyon days of the mid-60s, Mr. Faulkner was the thrusting and ambitious Commerce Minister who was being groomed for the Stormont Premiership.

He made it, of course, twice, and much sooner than envisaged. But both times his Governments were removed from under him. His fence-sitting abilities had deserted him, and in the end he was crushed by the immovable Loyalists and the irresistible British.

This week Brian Faulkner finally quit active politics at 55, an age at which most men in public life are only getting into their stride. But then he began earlier than most. Backed by his father and his family's shirt-making fortune, he was elected to Stormont in 1949.



BRIAN FAULKNER
Ulster politics are dead

He was 28 and the Provincial Parliament's youngest member. Ten years later he was a Minister and throughout the next decade represented an apparently unstoppable combination of youth and experience.

Slight and dapper, with the year-round tan of an enthusiastic horseman, he was admired as the man who was visibly getting on with the job of broadening Ulster's industrial base, and foreign investment boomed. He was also no mean performer on the hustings and sometimes they called him "The wee Orange orator."

Respect for his cold political skillfulness was Northern Ireland's predominant reaction, but it was tempered by admiration and affection. To-day, he is rejected by hardcore Unionists and the staunchly loyalist working class as the man who sold out to "the Brits" over power-sharing and reviled by many Catholics as the architect of internment without trial, which he introduced when Premier in 1971.

End of an era

Among the reasons he has given for his sudden resignation from the leadership of his own moderate, breakaway Unionist Party of Northern Ireland, is his conviction that, for the time being, Ulster politics are dead. He believes the limbo of direct rule will continue for at least two years and possibly to 1980. His going certainly marks the end of an era, even if his political career in fact came to an abrupt halt more than two years ago in May, 1974, when militant Loyalists grouped under the Ulster Workers' Council, staged a general strike and toppled the five months old power-sharing Executive of which he was Chief Minister.

It was, if anything, a more savage blow than his first fall in March 1972, when his 12 months old Stormont Government was ended by Westminster's imposition of direct rule. Mr. Faulkner is a man who clearly enjoyed the excitement of power—the urgency of helicopter inspection trips and the delicacy of negotiations such as those that led Courtaulds to invest in Ulster, despite the crisis, are recollections that edge into his conversation.

But he has now been in the wilderness for 27 months, and his own power base, his small UPNI party, had but five of the Convention's 78 seats, one of which he just managed to squeeze into himself. His plans now are to turn to business, and there have been hints that he would welcome a nationalised industry job.

Venezuela to raise \$1bn. in Europe for State projects

BY MARY CAMPBELL AND HUGH O'SHAUGHNESSY

VENUEZUELA is to raise a \$1bn. Eurobond loan in a move intended to prevent budgetary difficulties. Several banks have been asked to tender for the right to manage the loan. Venezuela wants the money for seven years and has asked for tenders by the end of this month.

The funds will be used to consolidate and streamline the borrowing of several Government-owned organisations, an operation which has hitherto been somewhat haphazard.

Attractive

Venezuela, as one of the world's major oil producers, is considered a very attractive credit risk and there are already signs of great interest in the loan.

It is understood that one syndicate has already been formed, another is in course of formation and several more are expected, each led by a major

international bank. A leading banker in London said yesterday: "There is going to be aggressive price competition among prospective lenders. It's going to be a banking battle of the giants."

It is still too early to say what kind of terms bankers would be likely to offer. However, since this is Venezuela's first major foreign borrowing the syndicate of banks which wins the right to manage the loan would probably have to offer very fine terms.

Some indication is available from the terms of Spain's recent \$1bn. borrowing which carried a margin over inter-bank rates of 1½ per cent.

The Venezuelan loan is likely to be just as much a prestige operation as the Spanish loan was.

There is little doubt in the City that the Venezuelans will be able to obtain excellent terms. Venezuela expects oil revenues this year of \$8.95bn. and its Government has opted to come

into the market before it was strictly necessary. It will thus avoid the borrowing under pressure undertaken by some other major oil producers who have seen their expenditures very quickly out-running their income.

Major projects

The five year development plan to 1980 calls for Government spending of \$34.4bn. and private sector outlays of \$16.3bn.

Among major projects are a big expansion of steelmaking, aluminium production, ambitious petrochemical developments and rail and port development.

British companies are bidding hard for many of these contracts and President Carlos Andrés Pérez has said that his forthcoming visit to Britain would produce "practical agreements" on major deals. President Pérez is expected in London later this year or early in 1977.

Saint-Gobain seeks 51% stake in Certain-Teed

BY RUPERT CORNWELL

PARIS, August 20.

THE FRENCH chemical and engineering group Saint-Gobain, Pont-a-Mousson plans to lift its share in its growing U.S. associate Certain-Teed Products to a majority. The operation will be carried out by open market buying and is expected in Paris to last about a year.

At present the French company holds between 40 and 41 per cent. A statement issued here this afternoon said Saint-Gobain intends to increase this "in excess of 50 per cent," subject to approval from the New York regulatory authorities. The holding is already one of the biggest French investments in U.S. industry.

Certain-Teed has long been linked with Saint-Gobain, and a tender three years ago lifted the latter's share to 32 per cent. Last year it reported sales of \$553m, mainly in the building materials field, and in the first six months of 1976 turnover reached \$313m.

Wilbur Saint-Gobain increased its stake to 40 per cent in 1974. Certain-Teed was experiencing financial problems as a result of investments in companies with real estate interests, and had to write off \$25m. on those investments.

Subsequently profits and sales

have been recovering sharply. In the first half of the year sales were \$164m, compared with \$102m. in the same period of last year.

Saint-Gobain made it clear today that it is not intended at present to lift the stake much beyond the 51 per cent mark required for voting control. The development means that Certain-Teed will be fully consolidated into the group's annual figures, profits being adjusted to take account of minority interests.

Asked about the reaction to St. Gobain's decision, the Board said it was taking a positive attitude, seeing it as an endorsement of the fact that Certain-Teed had come through a period of reorganisation and had an excellent future.

Based on the Board's discussions with St. Gobain, it believed that the planned change in control would make no difference in the relationships between the two companies. No changes in management personnel were expected.

The company did not know whether St. Gobain intended to stop buying shares when it got control.

Stock Exchange following announcement of Saint-Gobain's intention to purchase a controlling interest.

At this price, to buy the additional 10 per cent of Certain-Teed stock required Saint Gobain would have to pay around \$22m., a price which puts a market capitalisation of \$220m. on Certain-Teed.

Certain-Teed said it had had discussions with Saint Gobain within recent months, and added "We cannot control people who want to buy our stock on the public market."

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Consumer prices up 0.5% in U.S.

By David Buchan

WASHINGTON, August 20. PRESIDENT FORD, who in his Kansas City acceptance speech last night offered himself hearty congratulations on halving inflation, can to-day point to figures released by the Labor Department showing that consumer prices in the U.S. rose an adjusted 0.5 per cent last month. While no improvement on the last two months, this is exactly half the rate of a year ago.

As with wholesale prices in July, the biggest drop was in food, particularly meat prices, while the biggest increases in retail prices were in petrol and medical services. The cost of the latter is climbing at an annual rate of 13 per cent.

The moderate July rise in consumer prices was to some extent offset by increases in retail prices which rose 0.2 per cent last month.

But after tax the average American worker's real spendable pay increased only 0.1 per cent, and over the past year the increase in earnings after tax is a mere 0.3 per cent, as inflation has put workers into higher tax brackets.

Worry

The U.S. can still claim a lower inflation rate than any of its main competitors, except West Germany, but there are signs of a slowdown in activity in the corporate sector which must worry a Republican administration.

According to Commerce Department figures released yesterday, corporate profits after tax in the second quarter rose \$1.4bn. This was a mere 1.8 per cent up on the first three months of this year, when post-tax business profits jumped by \$5.6bn., or 7.6 per cent.

It is these signs of an economic slowdown—plus the unemployment rate, which last month jumped to 7.5 per cent—for which Mr. Jimmy Carter is probably taking Mr. Ford to task in the autumn election campaign.

The wholesale and consumer price rises are still not dramatic enough for the Democrats to make much political capital. For the past three months consumer price rises have been roughly in line with Administration forecasts.

Continued from Page 1

Kruger's outburst

The very leaders with whom the Government should be discussing the situation.

"The widespread detentions can cause nothing but dismay among thinking people. Simply to arrest people who are accepted as leaders of the black communities throughout the Republic is the last way to defuse a dangerous situation."

"South Africa is slowly but surely slipping into the morass of a police state with a ripple effect. People disappear. No information need be given by the police as to their whereabouts or even under which law they are being held."

In the short time that section 10 of the Internal Security Act has been in operation, an undisciplined group of people had been picked up by the police and were being detained at undisclosed places.

Mr. Suman said: A short while ago Mr. Vorster, the Prime Minister, had told an overseas journalist that there were no political prisoners in South Africa. "Every person was there, said the Prime Minister, because he had been found guilty of a crime against the State by a court of law."

"Since Section 10 of the Internal Security Act has been put into operation, can I say today that there are no political prisoners in South Africa?"

Mr. Suman asked. In its first official reaction to the announcement of Namibian independence for the end of 1978, the British Government said that it welcomed any move representing progress towards independence. It also welcomed the intention to retain the status quo in the territory.

However, the Foreign Office said that it had always been British policy that the people of Namibia should be able to express their views freely in a single electoral process conducted over the whole territory, in which all political parties, including SWAPO, would be allowed to campaign freely.

This process should be conducted under international supervision.

The Government is understood to be disappointed that the date for independence is so far off, and is likely to back efforts to bring it forward.

THE LEX COLUMN

Balancing act at British Land

It has been another week in which most of the stockbroking fraternity would like to forget about—but with three broking mergers announced yesterday, not all of them will. The gilt and equity markets continue to move sleepily and unprofitably sideways. How different it is in New York where, despite the introduction of competitive commissions the pre-tax income of NYSE member firms jumped nearly half to the highest first quarter level on record.

British Land

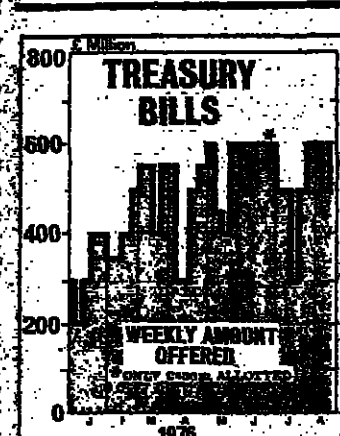
British Land is still bleeding, but not to death. With interest costs stabilised at around \$9.5m. for the last three consecutive half-years and revenue on a gently rising trend the group's second half pre-tax loss emerges at \$1.8m. against \$2.9m. in the first six months. And for the year as a whole the amount of capitalised interest has eased from \$3.5m. to \$2.9m., all of it relating to overseas developments.

Barring further substantial rises in interest rates it looks as though British Land is still heading for breakeven on revenue account some time in 1977. Balance-sheet progress was rather slow in 1975-76, with disposals of only \$11.8m. and it is unlikely there was much reduction in borrowings which were nearly \$190m. net at the start of the year. But a further \$26m. of sales have been already completed, or contracted so far in 1976-77, representing a tenth of the property book at an up to date valuation (which is not, however, to be incorporated into the balance-sheet, where a book value of \$305m. is being retained).

Including realised capital losses, British Land's book net worth has fallen \$6.6m. to \$103.6m. over 1975-76, but on the basis of the property valuations given last year and this the erosion of net worth, somewhat more realistically, has been from \$56.8m. to \$52.6m. At 29½p the company is capitalised at \$13.1m. If British Land stays on course the picture will look a good deal brighter in a year's time—but in terms of gearing and exposure to interest rates the group still has no worthwhile safety margin.

See also P.13

Index fell 2.7 to 370.8



Pye Holdings

Pye's share price tumbled by a sixth to a new 1976 low of 35p on the news of interim profits more than halved to \$2.2m. and the surprising omission of an interim dividend.

The U.K. consumer products side continues to be dogged by overcapacity and tight margins and has fared even worse than expected, turning in a \$2m. trading loss—almost the same as for the whole of last year. The other depreasant was the ending of the short-lived colour TV boom in Australia; overseas profits were down by a third as a result. There should be a seasonal second half improvement but overseas profit \$2m. will continue to be down by roughly a third for the full year.

As for 1976-77, with an \$8.0m. loss possible, the more than a maintained \$2m. (adjusted for \$2m. losses) is a company's earnings so much hinges on future dividend policy, and on this score the management is waiting to see what happens to U.K. consumer durable spending before taking a decision.

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S. African imports set record

By Graham Hutton

JOHANNESBURG, August 20. SOUTH AFRICAN imports soared to a record \$645m. (\$432m.) in July, compared with \$566m. (\$377m.) in June and \$556m. (\$357m.) in July last year.

According to figures released this afternoon by the Department of Customs and Excise.

The Reserve Bank said that much of the rise was because of advance clearing of goods ahead of the imposition of South Africa's import deposit scheme on August 2. The authorities gave permission to importers to clear goods in transit at sea. The August import bill should be well down, the bank added.

Exports were \$237m. compared with \$234m. in June and \$215m. in July last year. In the seven months ended July the shortfall was about \$504m. compared with \$657m. in the year ago period. Imports were \$2.5bn. (\$2.2bn.) and exports \$1.7bn. (\$1.5bn.).

Figures exclude exports of gold bullion and imports of military equipment and petroleum products, but include Krugers gold coin sales.

Price drop

With the outlook for gold becoming increasingly bearish, more bankers and businessmen are expressing deep concern about the future of the rand. Their view is that a further devaluation cannot be avoided.

Since last year's devaluation of about 18 per cent, the average bullion price has dropped by nearly 30 per cent, and prospects for the metal in the near future are decidedly gloom, according to a Johannesburg report to-day.

The governor of the South African Reserve Bank, Dr. T. W. de Jongs, is due to make his annual address to stockholders on Tuesday. Important policy pronouncements are expected, possibly including a ceiling of the 14 per cent. usury ceiling and a further rise in bank rate.

Burmah in Japan talks on Pertamina deal

BY STEWART FLEMING

NEW YORK, August 20.

TWO BURMAH oil directors, Mr. Campbell Anderson and Mr. Stanley Wilson, are in Japan attempting to re-negotiate the liquefied natural gas contract between Pertamina, the Indonesian State oil company, Japanese Utilities and Burmah.

The objective of the renegotiations appears to be to obtain higher prices on the LNG contracts in order to help the financing of the project.

It is because of these delicate negotiations in relation to what Burmah saw as one of its few potentially profitable shipping involvements, that allegations in The New York Times on Thursday have come at a most inopportune time for Burmah.

The allegations in The New

York Times in part related to the financing with Government guarantees of five ships to carry the LNG from Indonesia to Japan. Burmah has vigorously denied any impropriety in the applications for these shipping finance guarantees from Maritime Administration by an unrelated company, Cherokee Shipping Corporation.

Moreover, it has previously announced that the original financing scheme involving the Cherokee companies has since been abandoned and it is now proposed that the U.S. aerospace and shipping company General Dynamics is engaged in negotiations to take an equity interest in the ships.

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